



EUROPEAN NEWS

UK poultry import curbs condemned

THE EUROPEAN Court ruled yesterday that Britain was failing its obligations by maintaining legislation that requires imports of poultry products into England, Wales and Scotland to be subject to individual licences. This was not justified by "any circumstances" affecting the health of animals or humans, said the Court.

Council of Europe likely to admit Turkish delegates

TURKEY LOOKS likely to be allowed a cautious re-entry into the West European democratic "family" tomorrow when the Council of Europe's parliamentary assembly votes on whether to admit a Turkish delegation.

Fibre optics plant hitch

WEST GERMAN companies which propose to set up an optical fibre manufacturing plant in West Berlin are trying to persuade the Federal Cartel Office to approve their joint undertaking.

Push-barges delayed

MR RONALD GOSLITSKI, the British-born businessman who claims to head a syndicate devoted to revolutionising world transport, has asked for more time to produce the Fl 90m (\$38.5m) to get his scheme off the ground.

U.S. denies proposing arms talks merger

MR RICHARD BURT, U.S. Assistant Secretary of State for European Affairs, yesterday emphasised that neither the Soviet Union nor the United States has proposed a merger between the strategic (Start) and intermediate nuclear force (INF) talks as a means of re-starting arms control negotiations at Geneva.

France looks to step up electricity exports

ELECTRICITE DE France, the French state utility, is at an "advanced stage" of talks on selling around an annual 1bn kilowatt hours of electricity to the Netherlands under a long-term supply contract according to EDF officials in Paris.

Italy's old warriors stay home

ITALY'S POLITICIANS, art historians and dinner party devotees lost their favourite subject of conversation yesterday. The blow to Italian egoism has come in the form of a decision by Prime Minister Bettino Craxi not to send two of Italy's most prized art treasures to an exhibition in Los Angeles which coincides with this summer's Olympic Games.

Hard-line pressure on Jaruzelski

The latest Soviet blast aimed at General Wojciech Jaruzelski's pragmatic supporters in the Polish establishment, has reinforced the position of hard-line critics who have been pressing for a change in the themes of the Soviet attack at closed party meetings.

FARMERS DEMAND RELEASE OF LEADER Threat of more violence in Brittany

FARMERS IN Brittany are threatening another wave of violent protests if one of their leaders is not released from prison tomorrow. M Jean-Jacques Riou, vice-president of the Fioistère young farmers union, was arrested for taking part in the attack by farmers on a government building in the port of Brest 10 days ago.

Italy's old warriors stay home

ITALY'S POLITICIANS, art historians and dinner party devotees lost their favourite subject of conversation yesterday. The blow to Italian egoism has come in the form of a decision by Prime Minister Bettino Craxi not to send two of Italy's most prized art treasures to an exhibition in Los Angeles which coincides with this summer's Olympic Games.

Woerner expected to keep job

HERR HELMUT KOHL, the West German Chancellor, last night met cabinet members privately for the third time in two days, amid strong signs that he intends to keep his beleaguered Defence Minister in office.

Hungarian paper warns against Western wiles

ONLY DAYS before the arrival of Prime Minister Margaret Thatcher in Budapest, the official Communist party newspaper has warned that Western industrial cabinet members are plotting a "Trojan horse" to divide Soviet bloc countries.

Italian steel discussed

Although Finisider, the Italian state steel company, has a plan to reduce overall production, it is expected soon to reopen the Bagnoli complex near Naples as a result of Italy's negotiations with the EEC.

Europe bids for space partnership with U.S.

WEST GERMANY and Italy have urged as the West European countries to respond most positively to U.S. plans for a space station unveiled by President Ronald Reagan.

France looks to step up electricity exports

ELECTRICITE DE France, the French state utility, is at an "advanced stage" of talks on selling around an annual 1bn kilowatt hours of electricity to the Netherlands under a long-term supply contract according to EDF officials in Paris.

Woerner expected to keep job

HERR HELMUT KOHL, the West German Chancellor, last night met cabinet members privately for the third time in two days, amid strong signs that he intends to keep his beleaguered Defence Minister in office.

Hard-line pressure on Jaruzelski

The latest Soviet blast aimed at General Wojciech Jaruzelski's pragmatic supporters in the Polish establishment, has reinforced the position of hard-line critics who have been pressing for a change in the themes of the Soviet attack at closed party meetings.

Italian steel discussed

Although Finisider, the Italian state steel company, has a plan to reduce overall production, it is expected soon to reopen the Bagnoli complex near Naples as a result of Italy's negotiations with the EEC.

The closure of the Ford plant signals the end of the car industry, reports Brendan Keenan in Dublin Henry Ford's dream ends in nightmare for Ireland

IT IS said that Henry Ford established a car factory in Cork because his father, William, who emigrated to the U.S. in 1847, came from the area. The factory began by making the famous Model T and Model A, and went on to become the largest tractor factory in the world in the late 1920s. Its closure, which Ford says is inevitable, will mark the effective end of car production in Ireland.

Primo Minister, alarmed at the possibility of trade unionists being jailed, virtually put the Talbot workers on the public payroll until suitable jobs could be found. Toyota had some success in which could employ the skills of redundant assembly workers. At present workers are in dispute at the Irish assembly of Nissan cars over a threat to that operation.

collapse in the market. Sales have fallen 40 per cent in the past three years and are at their lowest level since 1973. On top of that, Ford believes the run-down of the assembly industry has been misadvised, giving advantages to its competitors in recent years.

employment provision has gone by the board with other companies, such as Fiat, which reached agreements with their redundant workers including a free car and generous severance payments. A Ford closure will be a considerable blow to Ireland, and to Cork in particular. Ford spent about 112m buying goods from other Irish companies whose own futures may now be at risk.



Mr Haughey, alarmed at Talbot strike creating new jobs through Killeen investment, a company it set up to establish projects

Anti-Marxism... Pe... deliv...

OVERSEAS NEWS

Anti-gover marchers th Manila's streets

BY EMILIA TAGAZA IN MANILA

THE anti-government movement in the Philippines, which reached a peak late last year but has been more subdued recently, regrouped yesterday in its largest show of strength this year. Tens of thousands of Filipinos joined a 30-kilometre protest march into Manila, while many more cheered them on.

Saudi Arabia plans to build \$250m ammonia plant

BY CARLA RAPOPORT

SAUDI ARABIA is expected to become a substantial exporter of ammonia by the end of the decade. According to officials of Saudi Basic Industries Corporation (Sabic), the group will shortly announce plans for a \$250m ammonia plant to be built adjacent to the new industrial complex in Jubail.

Korean shipping companies in grip of crisis

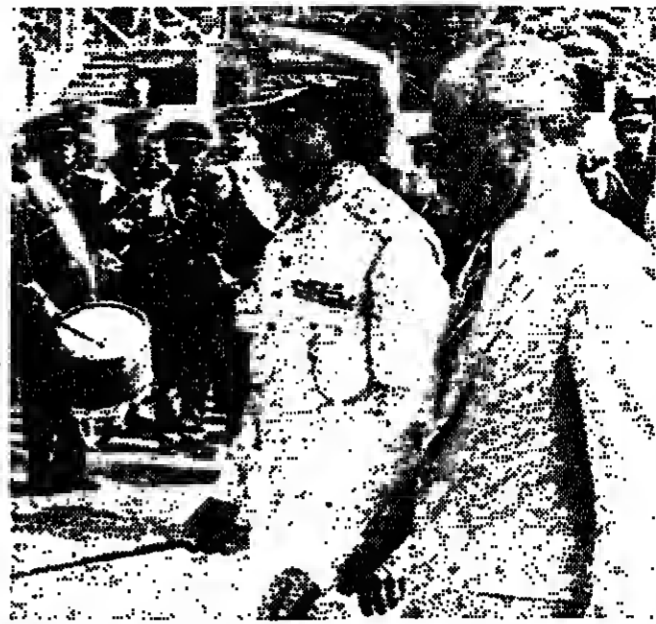
By Ann Charters in Seoul

KOREA'S 69 shipping companies, hit by the recession, are struggling to survive. They have until the end of next month to come up with proposals for mergers or new operating companies in a major nationalisation of the industry.

Peace at a price for feuding Tunisian regime

BY FRANCIS GHILES RECENTLY IN TUNIS

PEACE has returned to Tunisia after the worst rioting since independence left at least 120 dead and considerable damage to property. But the authority of the country's leaders, 83-year-old President Habib Bourguiba and M. Mubammed M'Zali, his prime minister, has been dealt a serious blow.



Happier days... Col. Gadany, accompanied by M. M'Zali in Mmasair during an official visit last year.

There are other reasons explaining why the rioting, which spread through the whole country, took such a violent turn in Tunis, Sfax, Gafsa and El Kef. The tactics used by demonstrators in Tunis were reminiscent of those used in Tehran in 1978-79 before the overthrow of the Shah. The pressure from Islamic fundamentalist groups in Tunisia has been growing since then.

Lebanon to buy 35 tanks from U.S. at cost of \$28m

BY PATRICK COCKBURN IN BEIRUT

LEBANON is to buy 35 M48A5 tanks from the U.S. for \$28m. The 34,000-strong Lebanese army already has three tank battalions each with about 24 tanks and is equipping a fourth battalion.

Bangladesh poll block planned

BY SAYED KAMALUDDIN IN DHAKA

BANGLADESH'S TWO main opposition alliances have decided to block the rural elections planned for March 24. Cancelling them and doubling the price of bread at a stroke was akin to setting off a bomb, he and the President were told by M. Azouz Lasram, the former Economic Affairs Minister.

People rely on us to deliver some surprising things.

As Britain's industries have grown, so have our services. So much so that today we deliver more parcels to more places than all the other national carriers put together.

Suppliers of farm machinery, like Richard Pearson Limited of Boston, use the Post Office to provide a vital spares back-up service for their customers in the farming industry.

The oil industry uses us for urgent overnight deliveries of documents and parts to Aberdeen.

And so do a host of other giant companies.

A lot of small businesses rely on Post Office services too. Companies where every little transaction is critical, every computer tape or spare part essential.

To meet these needs requires an ever widening range of services. Some so specialised that they may be of limited interest to you. Others so specialised they're exactly what you need. All of them services that business can rely on to deliver the goods.

It's all part of the Post Office. In business to serve you better - today and tomorrow.

For further information on Post Office Services please write to Dept. FT/R/2 FREEPOST, Room 127, 22-25 Finsbury Square, London EC2B 2QQ.



In business to serve you



WORLD TRADE NEWS

R. J. Reynolds to market Camel brand cigarettes in Japan

BY PAUL TAYLOR IN NEW YORK

R. J. REYNOLDS, the U.S. tobacco and consumer goods conglomerate, said yesterday that it is introducing its highly successful Camel brand into the Japanese market "as a major test of the openness of the Japanese market to American cigarettes."

The company said the introduction of Camel filters and Camel mild is the first by an American cigarette company since the relaxation of several restrictions on imported cigarettes by the Japanese Government last year. The relaxations followed complaints by U.S. cigarette manufacturers about a number of barriers to entry into the Japanese market—a market worth \$10bn a year but one in which foreign brands have just a 2 per cent share.

Mr Lester Pullen, president and chief executive of R. J. Reynolds Tobacco International, described the launch of Camel, the sixth biggest selling brand

in the U.S., as "the largest introduction of a foreign cigarette in Japan and one of the largest of any imported consumer product."

The sales drive will be concentrated in the Tokyo area and will be supported by a "substantial newspaper and television advertising campaign."

Mr Pullen added "Japan is the largest cigarette market in the free world outside the U.S. Camel is the fastest growing major international cigarette brand in the world. We are confident that Camel will be as big a success in Japan as it has been in other countries around the world."

Mr Richard Johnson, RJR Tobacco International's regional vice president in Asia and the Pacific, added that Camel is the company's worldwide flagship brand. Camel, originally introduced in the U.S. in 1913, succeeded in expanding its market share in 12 out of the

top 15 international markets last year and is the fastest growing brand in Europe, according to the company.

Now Camel is sold in more than 90 countries and territories around the world. Sales last year of the brand outside the U.S. totalled more than 20m cigarettes for the third year running, making Camel one of the most widely recognised consumer products in the world. Japan's decision last year to lift some of the controls over foreign cigarette sales in Japan—and to cut tariffs on imported brands, followed years of lobbying by the U.S. industry and extended negotiations between the U.S. and Japanese governments.

The U.S. manufacturers had charged Japan and the State-owned Tobacco and Salt Public Corporation, which controls cigarette sales and prices in Japan, with "blatant discrimination" against foreign brands in the market.

Christian Tyler considers the options as a massive deficit is predicted

Why the future of ECGD is under scrutiny



Mr Gill: before the Public Accounts Committee

WITHIN WEEKS, the government department that insures British exporters against non-payment of their bills will be in the red for the first time in over 30 years.

The deficit could build up to hundreds of millions of pounds and it could last for years rather than months, depending on events in the world.

MPs will this evening have a chance to assess the true extent of the damage inflicted on the quasi-commercial Export Credits Guarantee Department by the world recession and by the long queue of indebted nations which have fallen behind with their trade payments.

Mr Jack Gill, the new head of ECGD, will be taking the stand in front of the Public Accounts Committee of the House of Commons. The committee, as ultimate guardians of the taxpayers' interest, will presumably want to know whether the ECGD—safety net for some 10,000 companies and guarantor of about 34 per cent of UK exports—can handle its

manageable; ECGD's overdraft with the Consolidated Fund would be serviced by premium income, recovery of old debts and interest on rescheduled debt from countries such as Nigeria.

But the chief question in the minds of the exporting fraternity is likely to be this: by how much will premiums—due to be amended shortly—have to be raised in order to help cover the extra burden that the deficit will impose? Are there other ways, short of writing off that burden at the taxpayers'

expense (which would be a breach of international trading rules), of seeing the department through its lean times?

The cost of insurance is of course one of the exporters' principal concerns. It is also central to ECGD's ability to provide British companies and their lending banks with security comparable to that enjoyed by other European, American and Japanese competitors.

While MPs are scrutinising the ECGD's dismal balance sheet, a government-appointed committee is quietly amassing evidence from exporters, bankers and insurance underwriters which could lead to important changes in the way the agency operates.

The committee, headed by Sir Peter Matthews, chairman of Vickers, is not primarily concerned with the department's financial affairs. But its recommendations, when they are sent to ministers around Easter time, may be influenced by clients' anxiety to rid ECGD of its more onerous obligations.

The Matthews committee has been asked to assess the quality of ECGD's insurance and financing facilities compared with that of rival official agencies abroad; to suggest how the taxpayers' interest is to be protected; and to say whether the

private insurance market should take over, or share in, some of ECGD's work.

Among those who have given evidence so far collectively and individually are the clearing banks, Lloyd's underwriters, the export houses, the chemical companies and bodies such as the CBI, the Institute of Export (representing export managers) and the London Chamber of Commerce.

A straw poll of the available evidence, published and unpublished, suggests that most would like to see the ECGD turned into some kind of public corporation—perhaps the commercial equivalent of the state industries.

This would have a number of advantages, they say. ECGD (or whatever it would be called) would be freed of close Treasury and Industry Department control, would be able to pay City salaries and recruit more risk-assessing and underwriting expertise. It would escape damaging staff cuts, decreed by central government, and raise its efficiency.

There is less agreement as to how ECGD's work should be divided, if it were to be divided. Many argue that short-term risk is better handled by the private market, but recognise that the private market cannot compete

on long-term or on political risk cover.

Some, including the Committee of London Clearing Bankers, believe political risk—especially insurance for exports to markets where Britain's "national interest" is said to be involved—should be handled by the Government, leaving ECGD to operate along more commercial lines.

The clearing banks, which had some £10bn of outstanding sterling and non-sterling export loans guaranteed by ECGD as at May last year, argue that the department's administrative problems are exposing them to increasing amounts of risk at very tight rates of return.

Whatever the Matthews committee ultimately recommends, the decision will rest with ministers. Some measure of "privatisation"—even if a minimal alliance with private underwriters—and some measure of development seem likely to emerge.

Past reviews have left ECGD relatively undisturbed. But the trauma of the debt crisis and the huge increase in political causes of loss that will be set before the Public Accounts Committee this evening suggest that the department, however blameless, will not escape so easily this time.

EEC to press Tokyo on imports

BY PAUL CHEESRIGHT IN BRUSSELS

THE European Commission will this week seize the opportunity of four-party trade talks in Florida to push its case for relaxation of Japanese import restraints on senior officials of the Nakasone Government.

Herr Wilhelm Haferkamp, the EEC's external relations commissioner, is meeting trade ministers from Japan, the U.S. and Canada to discuss the possibilities of an international negotiating round further to liberalise the trading system.

But besides that meeting, bilateral talks will take place at which the EEC and the U.S. are expected to tell Japan to moderate its growing trade surplus.

In that context Herr Haferkamp will take the first chance available to him for urging directly the scheme which earlier this week he put to the Tokyo Government.

This scheme involves Japan accelerating tariff cuts agreed in the Tokyo Round of multilateral trade negotiations and, more radically, suspending for a period duties on the imports of manufactured goods.

More closely focused talks on particular problem products will take place next month in Tokyo when senior Commission

THE SENSITIVE PRODUCTS

% change: First 11 months 1983 over same period 1982.

	To EEC	To U.S.
Passenger cars	+ 22	- 2
Colour TVs	+11	- 2
Colour TV tubes	+ 12	+ 1
Numerically controlled lathes	- 6	- 29
Machining centres	+ 6	+ 12
Video cassette recorders	- 9	+106
Motorcycles	- 20	- 18
Forklift trucks	+ 18	+ 54
Cassette decks	+ 20	+ 37
Battery operated watches	+ 27	+ 19

Source: Japanese Finance Ministry

officials meet their counterparts in the Japanese Government.

No Japanese reaction to the Haferkamp scheme has yet been received in Brussels; but officials note that the Nakasone Government has shown itself more sensitive to EEC trade problems than its predecessors.

The two sets of talks go to the centre of EEC preoccupations: access to the Japanese markets and concern about the growth of certain categories of exports to the EEC market.

shows that except where there are specific agreements—as, for example, in the case of video cassette recorders—the growth of Japanese exports has continued, leading last year to a \$10.4bn EEC deficit on the Japanese figures, or \$12bn if calculated on the EEC figures which are quoted here.

Trade officials continue to worry that if access to the Japanese market is not seen to improve then there will be a protectionist backlash against Japanese sales in the EEC.

Sharjah likely to award LPG plant to Japan

By Angela Dixon in Abu Dhabi

THE SHARJAH Emirate's \$300m LPG project is likely to be awarded to a Japanese consortium consisting of Japan Gasoline Company and C. Itoh, following receipt by the Japanese of a letter of intent.

The emirate, which produces about 10,000 barrels per day of oil from its one offshore field, made a major gas/condensate discovery in 1980. Present plans for industrial expansion in the emirate focus on gas utilisation, particularly as a feedstock rather than fuel.

The Government is expected to have a large equity interest in the plant, and the Amoco-Sharjah company, which made the gas discovery, will also be likely to have a share of the equity.

Financing will have to be arranged by the consortium.

Railbus to undergo trials in Thailand and Malaysia

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

A PURPOSE-BUILT Railbus for use on suburban passenger routes is to undergo evaluation trials with the State Railway of Thailand early in March. The special version of the Railbus, launched yesterday by British Rail Engineering (BRE) from its workshop in Derby, will later go for trials in Malaysia.

The two-car unit, capable of carrying 260 passengers with 120 seated, is the first of three speculative railway vehicles to be built by BRE and Leyland Bus in a drive to increase BRE exports. The other two demonstration Railbuses which are now under construction will be shipped to Denmark and the U.S. within the next few months.

The Railbus for Thailand has been built on the same prin-

ciples as the type 141 Railbuses currently being produced for British Rail, combining a Leyland bus body with a BRE rail underframe, but the seating layout has been adapted for the purposes of Thai railways and it has also been built for metre gauge operation.

Thailand and Malaysia are seen by rail equipment manufacturers as key potential markets in South-East Asia. The railway authorities in both countries are anxious to upgrade and re-equip their railways, finance permitting.

The Malaysian Government is currently assessing a study carried out by Japanese railways and manufacturers into the feasibility of upgrading its main west and east coast rail routes for high speed trains.

Bofors sells missiles to Norway

By David Brown in Stockholm

Bofors, the Swedish armaments group, has won an order worth about SKr 80m (£7m) to supply its RBS 70 ground to air missile to the Norwegian Defence Ministry.

The deal involves an extensive sub-contracting agreement, with the Norwegian armaments group Kongsbergs, Bofors said. The weapons will be delivered in 1986.

The Swedish Government is to strengthen its anti-submarine defences with four new M80 mine bunters, worth some SKr 280m.

The vessels, of 360 tonnes each, will bring to six the total number of M80s built by the Karlskronavarvet military shipbuilders. They will be delivered between 1986 and 1988.

Swedish group wins Ford paint shop order

By Our Stockholm Correspondent

FLAKT, the Swedish ventilation and patrol group, has won an order from the Ford Motor Company of the U.S. to provide spray paint finishing equipment worth \$17.6m.

The equipment is to be used in the expansion and modernisation of Ford's Hazelwood, Missouri, mini-van assembly plant. It includes spray booths and related handling systems.

L. M. ERICSSON the Swedish telecommunications group, has won an order to deliver two AXE 10 digital switching systems to the Telegraph and Telephone Department of Pakistan for \$8.6m.

IT DOESN'T TAKE A FINANCIAL WIZARD IN THE CITY TO WORK OUT YOU SHOULDN'T BE IN THE CITY.



CITY RENT £76.00 RATES £15.30

LONDON'S ENTERPRISE ZONE RENT £8.00 RATES £0.00

Start with the City, subtract 8 years' rates, add up to 100% Capital Allowances, divide annual rent by 3, subtract complicated planning procedures, multiply land availability by 10 and it equals London Docklands. Ring 01-515 6000 for more answers. London Docklands Why move to the middle of nowhere, when you can move to the middle of London?

AMERICAN NEWS

## Fraud charges could follow National Semiconductor probe

BY LOUISE KEHOE IN SAN FRANCISCO

NATIONAL Semiconductor, the U.S. chip maker, could face criminal charges of defrauding the U.S. Government by failing to test fully devices sold to the military, according to a report in the New York Times yesterday. National is the second-largest supplier of integrated circuits to the U.S. military, with estimated military sales of \$90m last year. Charges are expected shortly, according to the U.S. newspaper, which quotes U.S. Justice Department sources as saying that the company would be charged with inadequate and fraudulent testing of as many as 20m chips used in weapons and other military systems. National has previously admitted that it failed to comply with the rigorous testing procedures laid down for devices to be used in military application. The company claims, however, to have changed its testing procedures to meet U.S. regulations. For the past two years, a federal Grand Jury in San Francisco has been examining the case to determine whether criminal charges should be brought against National. The deliberations of the Grand Jury are secret, and the U.S. attorney for Northern California, Mr. Joseph Ruscillo, declined to make any comments yesterday on either the status of the Grand Jury investigation or the military devices sold to the military. In February 1982, National was disqualified as a supplier of chips to the Defence Department following admissions that it had not fully tested chips supplied over a three-year period, during 1978 to 1981. At that time, National said that although the parts had not been fully tested, it did not believe them to be defective. The company was reinstated as a military supplier, after 10 weeks. Separately, the defence electronics supply centre, a Pentagon agency said yesterday, that it has stopped accepting shipments of integrated circuits made by Fairchild Semiconductor, a subsidiary of Schlumberger. According to the company, it had been removed from the list of qualified suppliers of semiconductor devices to the military for failure to comply with testing regulations. Fairchild is also under investigation by the Pentagon's Defence Criminal Investigative Services for allegedly falsifying test data on chips sold to the Government.

## Jimmy Burns reports on the controversial new Economy Minister Argentina's creditors grow impatient

THE HONEYMOON period between Argentina's new civilian authorities and the international banks is coming to a close. Negotiations over the country's \$39bn foreign debt are at a standstill, and the Economy Minister, Sr Bernardo Grinspun, seems no nearer deciding where to go next than he was a month ago.

Sr Grinspun, whose brusque outspoken manner has made his brief term in office the subject of almost daily controversy in Buenos Aires, places the blame for the delay in publication of more detailed economic information on "the disastrous situation" inherited from the military regime.

His strategy has to remain imprecise he says, so long as the Government of President Raul Alfonsín which took office nearly two months ago is still drawing up an inventory of Argentina's debts. Part of the debt was accumulated by the military in secret arms deals or by speculators siphoning legitimate commercial loans into illegal operations, usually involving inter-company lending. To counter charges of unnecessary vagueness, Sr Grinspun points to the unprecedented openness of his Ministry. "I have fought all my life for the freedom of the Press but not for the freedom to inform badly," he said in an interview.

Regarding relations with the international banks, his prime concern is to establish the real extent of foreign debt, what payments can be made from Argentina's own resources and how much will have to be covered with fresh credit. He insists that Argentina will honour all its debt obligations with the international banking community.

Speaking from the grey concrete building of the Finance Ministry, which his predecessors turned into a virtual Fort Knox, he says he aims to negotiate a rescheduling package spearheaded by a fresh standby agreement with the International Monetary Fund before the end of June.

Sr Grinspun described his first meeting with his country's foreign creditors in New York earlier this month as "cordial" and "cooperative." But one senior U.S. banker grumbled: "We expected to get facts and figures, a detailed picture of the country's medium to long-term economic plans. All we got were some platitudes about Argentina's new democracy."

The Government's most firm premise is that, assuming a trade surplus of \$3.5bn in 1984, Argentina will be able to make \$2bn of debt payments from its own resources, with \$200m set aside to boost meagre reserves. Other payments falling due this year of between \$16bn and



Grinspun... "brusque and unpredictable"

\$18bn will have to be rescheduled or paid with the help of new loans. Sr Grinspun's determination to secure interest rate and repayment terms at least equivalent to those agreed last year by Mexico and Brazil threatens to be one point of friction with some bankers, who now consider Argentina the biggest risk. Another is his refusal to sign any of the public sector contracts prepared by the previous regime until the model — that of the State airline Aerolineas Argentinas — is replaced by terms more compatible with the national interest. Sr Grinspun has yet to define what this will mean in practice. Bankers are also uncertain how Sr Grinspun intends to reconcile his domestic promises of economic growth and income redistribution with the belt tightening implied by the critical state of the country's external and domestic finances. Sr Grinspun's answer is that the bankers should have patience and wait for the publication of his budget in March, the details of which "are still being worked out."

## Economic policy shift likely in Costa Rica

BY TIM COOME IN SAN JOSE

A SHIFT in emphasis is expected in economic policy in Costa Rica following the appointment of Sr Juan Manuel Villalosa to the important Minister of Planning post. He takes office today and has said that he favours an emphasis on "economic reactivation more than stabilisation."

Sr Villalosa said: "In the short-term it is necessary to stimulate internal demand so that the national industries can continue functioning."

He said he favoured new job creation schemes and a halt to the fall in real salaries. Salary levels have fallen by 40 per cent in the two years of President Monge's Government and a major demonstration by workers and students is planned in San Jose today — to protest at further austerity measures being proposed by the Government.

Costa Rica has one of the highest per capita foreign debts in the world, at \$4m for its 2.2m population. Interest payments alone (\$360m for 1983, after rescheduling) are currently eating up some 40 per cent of export earnings.

Austerity measures imposed as part of an IMF standby agreement signed in December 1982, caused a sharp contraction in the economy last year and a further series of public spending cuts and tax rises are shortly to go before the consti-

tuent assembly for approval, to lay the basis for another IMF agreement this year.

Last week the assembly authorised debt rescheduling agreements affecting about \$800m owed to foreign commercial banks, which will reduce debt service payments to \$248m this year.

Sr Villalosa says: "In the short-term we are very restricted in what we can do." However, he is critical of U.S. efforts to push Costa Rica into a model of export-led growth by further devaluations of the currency.

He said: "Costa Rican industry has been geared to the local and Central American markets. It is not possible from one day to the next to start exporting in a big way to the United States, and I don't believe that Costa Rica should develop an export sector at the expense of the welfare of the population."

He said that strong private sector investment backed by the public sector would be encouraged to help develop new high-technology industries to address the country's balance of payments problems in the medium and long term.

The first step along that path was made last week when the Central Bank announced that interest rates will be lowered shortly from 22 to 18 per cent: their lowest level since March 1980.

## Caribbean force to stay in Grenada 'until poll'

BY TONY COZIER IN BRIDGETOWN

THE Caribbean force of approximately 450 troops and policemen, in Grenada since the U.S.-led military invasion last October, is to remain on the island at least until general elections scheduled for November. Miss Eugenia Charles, Prime Minister of Dominica, said late on Monday.

Speaking in St George's, Grenada's capital, after a meeting between the Interim Government and officials of those Caribbean countries which took part in the invasion, Miss Charles indicated that the U.S. would also be asked to maintain its peace keeping force of 300 men for the same period.

This will be discussed when Mr George Shultz, U.S. Secretary of State, visits Barbados and Grenada next week.

It is believed in St George's that the U.S. Government is anxious to have all of its men out of Grenada before the presidential elections in November. Miss Charles hinted that if they were withdrawn, their place could be taken by personnel from what she termed "friendly countries."

The decision to retain the Caribbean force is a blow to the plan put forward by Mr Sonny Ramphal, Commonwealth Secretary General, during his visit to Grenada earlier this month.

He indicated then that any Commonwealth assistance to Grenada, financial as well as technical, would be dependent on the withdrawal of all foreign troops.

## Capital outflow grows

BY HUGH O'SHAUGHNESSY IN LONDON

LATIN AMERICA was a net exporter of capital last year for the second year in succession as inflows of capital dried up and payments to service the increasing foreign debt mushroomed, according to preliminary statistics from the UN Economic Commission for Latin America (ECLA).

The ECLA statistics show that the net inflow of capital to the region last year reached its lowest point for more than a decade. It amounted to no more than \$4.3bn in 1983 compared to \$38bn in 1981 and is explained by the sharp contraction of commercial bank lending to the countries of the region.

At the same time, service payments on a debt which totalled \$309.8bn came to \$34bn, a slight drop on the 1982 figure of \$36.6bn.

The net export of capital, therefore, came to \$29.5bn, up by nearly a half on the 1982 figure of \$20.2bn.

The 1983 figure for the export of capital was equivalent to 27.4 per cent of the region's exports, or 4 per cent of the gross national product. In 1982, the figures were 18.5 per cent and 2.5 per cent respectively.

Referring to the increase in the positive trade balance achieved by Latin America last year — from \$9.7bn in 1982 to \$31.2bn last year — ECLA says that this was generated by a sharp fall in imports rather than by any great increase in exports. While the latter remained almost stationary last year at around \$88bn, imports fell from \$78.8bn in 1982 to \$56.3bn last year.

In 1983, Latin America suffered its worst economic performance for half a century, ECLA concludes.

## Surinam's month-long aluminium strike ends

BY ROBERT GRAHAM IN LONDON

WORK has resumed in Surinam's vital aluminium industry after a damaging month-long strike by the 4,500 workforce. The aluminium industry, run by two wholly owned subsidiaries of Alcoa (Suralco) and Royal Dutch Shell (Billiton), accounts for 80 per cent of the former Dutch colony's foreign exchange earnings.

The strike is reckoned to have cost the country \$28m in lost earnings and further losses are inevitable since the strike forced the total closure of the alumina and aluminium plants.

According to an Alcoa spokesman, it could take between two and four weeks before the complex smelting process is fully operational. The strike began on December 19, prompted by extra taxes imposed on the workers' annual bonuses by the military-backed government of Commander Desi Bouterse. At one stage, it seemed that Commander Bouterse would be toppled as the strikers were joined by utility workers who paralysed power supplies in the capital, Paramaribo.

However, the former army physical education instructor has managed to survive by dismissing his entire cabinet and rescinding the taxes due to come into effect this month. Nevertheless, after dismissing his cabinet on January 11 and promising to take full account of the workers' grievances, it took another 11 days to persuade them to return to work, and the labour unions are still demanding partici-

pation in a new interim government.

This has been the most serious organised civil protest against the four year-old left-wing military leadership of Commander Bouterse. The action underlines the growing unrest as a result of belt-tightening measures forced on Surinam's 280,000 population following the suspension of Dutch aid, in December 1982.

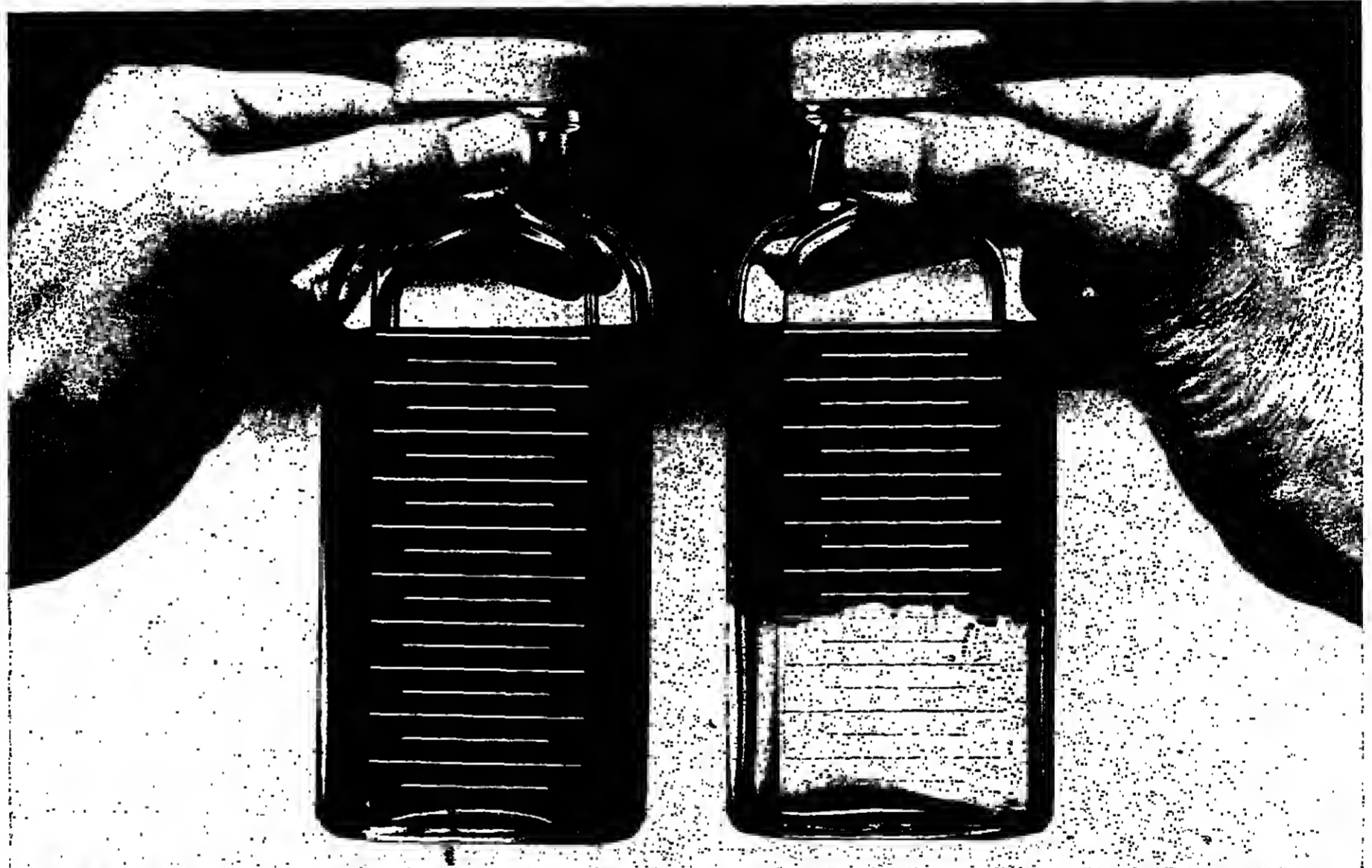
Aid was suspended when Commander Bouterse rounded up and killed 19 leading Surinamese said to be plotting his overthrow. In 1978, on being granted independence, the Netherlands pledged nearly \$1.5bn over the years in aid and loan guarantees, which has formed the basis of the government's development funds and underpinned the budget deficit.

Dutch aid was effectively the sole source of external assistance apart from some 120 Cuban technical advisors. Resumption of Dutch aid, of which \$670m is still due, is conditional on a return to democracy.

Commander Bouterse has been branded as a Marxist. But diplomats familiar with his regime maintain that he has little ideology other than that of his own survival. There have been at least four plots against him.

He was a close friend of the late Grenadian leader, Mr Maurice Bishop, and he blamed the Cubans for Mr Bishop's death. As a result last October he expelled the Cubans from Surinam and even the Cuban embassy in Paramaribo has been closed.

# Getting oil out of Britain's waters isn't our business.



# Getting water out of Britain's oil certainly is.

Anyone who thinks oil and water don't mix should try exploring for oil. Only 10% of the crude oil that comes out of the North Sea is clean. The rest being a corrosive cocktail capable of bringing a pipeline to a grinding halt. Fortunately, it's the kind of problem a chemical company with our resources can take in its stride. By developing special demulsifiers, we've managed to separate the oil from water and impurities. Thus saving the oil companies a small fortune in transport and refining costs. You may think it sounds all very

simple but it isn't. Each crude oil type requires a specific demulsifier combination. We don't mind getting our white coats dirty either. Any new demulsifier we develop is tested in the field by our own engineers. Not only in the North Sea but in oilfields around the world. Getting oil out of rock. It's one thing to separate oil from water, but quite another to separate oil from rock. Until recently, over 70% of the world's oil was retained in porous rock beneath the drilling areas.

The problem was how to get at it. Our solution was to apply the principles of detergent technology. And, quite literally, flush the oil out. Practical tests in the oil fields have shown our technique can actually improve oil recovery by up to 20%. We'd never claim to be oil men. But the oil men couldn't get by without our chemistry. We're spending £1 million a day on a better tomorrow.

**Hoechst**

We spend £1 million a day on research to produce better chemicals, pharmaceuticals, fibres, plastics, dyes, agrochemicals, veterinary products, photographic and many other vital products. For more information write to: I.R. Oil Services Ltd., Chemical House, Stockport, Cheshire SK1 0RZ. Or to Hoechst UK Ltd., Publicity Dept., Salisbury Road, Hounslow, Middlesex TW4 6HL.

UK NEWS

American company gets \$15m from Iran

By Charles Batchelor
A U.S. company which had a drilling rig seized off the coast of Iran and its London insurers have recovered \$15m (£10.6m) from the Iranian Government.

'Overfunding' forecast

By Philip Stephens
THE GOVERNMENT may have to sell some £3bn more in debt than it needs to fund the public sector borrowing requirement (PSBR) in 1984-85 if it is to maintain the monetary aggregates within their new target ranges, the broker James Capel forecasts today.

Home appliance makers 'undercut'

By Carla Rapoport
BRITISH domestic appliance manufacturers are being undercut in their home market by suicidal Continental competitors according to Lord Plowden, president of the Association of Manufacturers of Domestic Electrical Appliances (AMDEA).

Cost of winning world orders 'unjustified'

By Christian Tyler, World Trade Editor
THE COST of winning large overseas orders for British construction and engineering contractors can rarely be justified on economic grounds, according to a Whitehall report released yesterday.

The report was written last December by a team of ministry economists, led by Mr Ian Byatt, deputy chief economic adviser to the Treasury, to support Britain's negotiating position in OECD talks to control international competition for scarce orders in developing countries.

Strike disrupts Heathrow flights

By Our Labour Staff
STRIKE action by British Airways ground engineers at London's Heathrow Airport yesterday forced the cancellation of seven long-haul flights and two Concorde services to New York.

CEGB to take over Sizewell Project

By David Fishlock, Science Editor
THE CENTRAL Electric Generating Board (CEGB) has taken over full management responsibility for the Sizewell B nuclear project with the approval of the government.

Tebbit advocates more official scrutiny of proposed mergers

By David Churchill, Consumer Affairs Correspondent
MERGERS which may have an adverse effect on competition are more likely to face official scrutiny to determine whether or not the proposed deal is in the public interest.

Howe accused over union ban

By Philip Bassett and Ivor Owen
SIR GEOFFREY HOWE, Foreign Secretary, became embroiled yesterday in an embarrassing row about the extent of industrial action at the Government Communications Headquarters (GCHQ) at Cheltenham which is held responsible for a decision to impose a ban there on trade union membership.

ICI seeks to end bargaining rights

By Brian Groom, Labour Staff
IMPERIAL Chemical Industries (ICI) sparked off union anger yesterday by planning to strip management and professional staff - including scientists, accountants and plant managers - of collective bargaining rights.

MPs may investigate financial markets

THE STRUCTURE of the City of London's financial markets may be investigated by an all-party committee of MPs.

Howe accused over union ban

In a radio interview yesterday Sir Geoffrey said: "It was no part of the case that I was making that there was any provable damage as a result of particular incidents. Nobody had been in a position to know whether the interruptions had had serious consequences."

Digico calls in receiver

By Raymond Snoddy
DIGICO, the British mini and microcomputer manufacturer, has gone into receivership despite a weekend of talks to try to save the company.

Howe accused over union ban

The claims between Sir Geoffrey and the unions will do little to improve the atmosphere at today's meeting between the unions, Trades Union Congress leaders and Mrs Margaret Thatcher, Prime Minister, over the reasons behind the ban.

ICI seeks to end bargaining rights

Dr Maurice Gillibrand, Amps executive secretary, said his members found the decision "abhorrent". The union would try to reverse it during consultations over the next three months but, if unsuccessful, would probably ballot members on industrial action.

Digico calls in receiver

Mr Ray Mackie, joint receiver, said yesterday he hoped to sell the business as a going concern. Another UK computer company Optim offered to buy Digico at the weekend and take on a proportion of its debts, but it is believed that agreement could not be reached with the Midland Bank.

Advertisement for British Telecom featuring a piggy bank and the headline: 'If this little piggy went to market, all the other little piggies would have none.'

Advertisement for Sheraton hotels featuring the headline: 'COME TO SHERATON WHEN IT COMES TO BUSINESS' and listing various international locations.

UK NEWS

BCal seeks more of British Airways' routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
BRITISH Caledonian (BCal), the independent airline, is believed to be suggesting to the Government that up to one-third of British Airways' routes should be transferred to the independent airline sector on the privatisation of the state airline.

Way to be cleared for Scott Lithgow takeover

MRS Margaret Thatcher, the Prime Minister, yesterday promised to "wipe the slate clean" to make way for a private operator to take over Scott Lithgow, the Lower Clyde shipyard that faces closure after Eriol's cancellation of an £8m drilling rig order.

Confederation of British Industry quarterly trends survey Pace of recovery quickens

BY MAX WILKINSON, ECONOMICS CORRESPONDENT
AN ENCOURAGING picture of rising industrial optimism, increased output and orders and a general broadening of the recovery is given in the Confederation of British Industry's (CBI) latest Industrial Trends Survey.

BMW profit expected to ease

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT
TURNOVER of BMW's British subsidiary last year reached £335m, equivalent to more than £1m per employee.

QE2 likely to have engine refit

By Our Shipping Correspondent
CUNARD, the shipping subsidiary of Trafalgar House, is considering the purchase of new diesel engines for the 17-year old QE2 passenger liner at a possible cost of over £30m.

Civil Service report wrong

By Kevin Brown
A REPORT by the International Monetary Fund (IMF) in which the UK was shown to have more civil servants than any other industrialised country, was wrong, the House of Commons has been told.

Newsprint cost may rise

BY ANDREW FISHER
NEWSPRINT prices in the UK appear set for a general increase in the next few months, following the announcement by Abitibi-Price of Canada that it plans a 7 per cent increase to £221 a tonne from May 1.



"We're putting his name down for Eton, Harrow and American Airlines First Class."

Table with columns for bank names and interest rates. Includes entries for A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.

Advertisement for American Airlines featuring a quote and text: 'The far-sighted Fortescue-Smythes may have heard that American Airlines First Class and Business Class across the Atlantic is rather popular these days.'

Advertisement for a counter spy briefcase: 'BUGGED? THE COUNTER SPY BRIEFCASE'. Includes an image of the briefcase and descriptive text.

# TECHNOLOGY

EDITED BY ALAN CANE

## INNOVATION IN CHUCK DESIGN

### Key to the automatic drill

BY PETER MARSH

A NEW chuck for hand-held drills promises relief for robotic engineers and home-decorating buffs.

Developed by a woman inventor in a cramped flat in North London, the device is self-adjusting. A person can insert into the chuck a drill bit without having to tighten the hardware with a key.

For people with drills—from industrial engineers to the do-it-yourself enthusiast—the device could end the frustration of continually adjusting the chuck each time a different bit is used.

In industry, more than half the time of some drilling operations is spent fiddling with a key to change bits.

The chuck could also see use in automated factories. The

**In industry more than half the time of some drilling operations is spent fiddling with a key to change bits**

device could form part of the mechanical hand of a robot, in jobs such as drilling or the insertion of screws.

The robot could change tools automatically, so transferring between different jobs more easily.

Jean Walton, an engineer who has spent much of her career in the hi-fi industry, has spent £20,000 developing the device. This includes fees for patenting the invention in several countries.

To raise funds for the development, Ms Walton has even sold part of her house, leaving her with just two rooms on the ground floor.

Hampson Alamein Engineering of Worcester is on the point of making the device. Over the next few weeks, the company will test three prototypes of chuck.

If the trials succeed, the company will start production later this year, says Mr Anthony Hampson, the managing director.

Mr Hampson says that over five years his organisation could turn out "millions" of the devices.



Jean Walton has spent most of her career in the hi-fi industry.

The chucks would initially be sold for about £20 each, as part of drills for professional engineers and builders. Mr Hampson says he is particularly interested in selling the hardware to the robot industry.

Eventually, the devices could feature in drills for the domestic decorating enthusiast, a much bigger market. Each year DIY addicts buy about 10m drills. The chucks for these drills sell for £1 to £5.

Ms Walton started work on the chuck three years ago. "I saw that nothing was available to replace the key-type chuck. I had to start from scratch, learning how these devices work."

In conventional chucks, a person inserts a bit and then tightens a thread on the device with a key. This brings together several small pieces of metal—the "jaws" of the device—that clamp the bit in place.

The key must be inserted into a small hole each time the bit is changed. Often, people mislay the key or accidentally leave it in position after the drill is turned on, increasing the time of drilling operations.

Some manufacturers sell keyless chucks. Such a device has a ring which is turned to tighten the jaws. But these chucks contain a lot of intricate parts and are expensive. A chuck of this kind for a domestic power-drill costs £10 to £15.

The heart of Ms Walton's device comprises two small tubes which can slide against each other to form a stiff column.

Instead of being flush, the facing ends of the tubes are shaped like a helix.

Initially, the components are separated. One is fixed and the other can move axially and also rotate.

Inserting a bit into the spring-loaded jaws of the chuck pushes the movable tube toward the fixed component. But the two helical faces of the components stay apart by a fraction of a centimetre.

At this point the power is switched on to turn the drill. The first imperceptible movement of the chuck pushes the two faces together.

A series of some 50 tiny teeth on the tubes engage, so that the two parts behave as a fixed unit. Further motion of the chuck tightens the jaws to grip the bit.

To release the bit, the user unscrews a clamping ring to separate the two tubes, causing the jaws to relax.

In Ms Walton's invention, the

**To raise funds for the development Ms Walton has even sold part of her house**

chuck can accommodate bits of any diameter up to 1.25 cm.

The most difficult part of the development was in designing the teeth in the helical faces of the tubes. These are like the stairs in a spiral staircase. But the "staircase" ascends not smoothly but with a gradient that gradually increases.

Ms Walton spent a fortnight producing some 50 engineering drawings before she worked out the exact positions for each tooth.

For large production runs of several thousand chucks, the parts will be made with a sintering process. A piece of metal bearing the impression of the teeth will press down, with a force of several tonnes per square centimetre, on a powder in a capsule.

In this way the powder, containing iron and alloying elements, coalesces into solid metal and takes up the shape of the teeth.

The power-drill industry is generally enthusiastic about the new chuck. For instance, Kango Wolf Power Tools, which makes drills for industrial applications, is interested in buying the devices if the initial trials prove successful.

## LASER SYSTEMS

### Light dawns on digital maps

BY ELAINE WILLIAMS

LASERS were once described as a solution looking for a problem. Today they have applications in many industries including telecommunications and medicine and, more recently, in turning maps into computer form.

A small British company, Laser-Scan, based in Cambridge, uses lasers as the basis of its products to digitise maps.

Laser-Scan was set up in 1969 by three researchers from the Cavendish Laboratory, of Cambridge University. They produced specialised equipment for high energy physics applications.

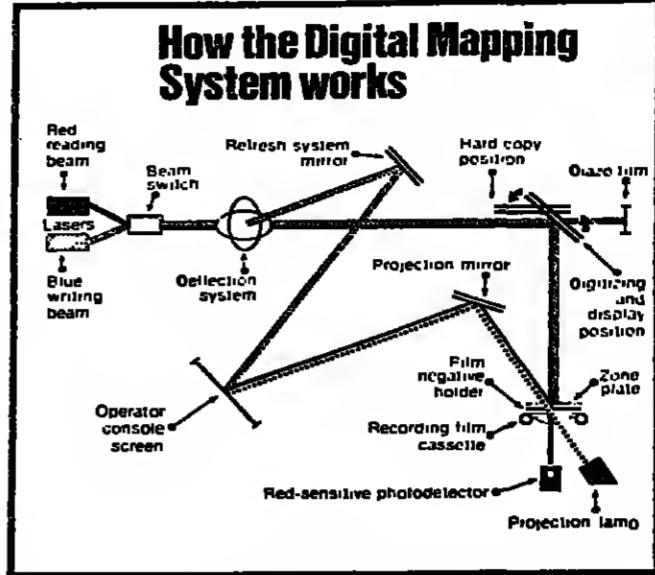
Common to most of the company's products is the deflection of laser beams plus harnessing of optics, mechanics, electronics and computer science. As well as mapping systems, it produces laser printers, editing stations and military command and control systems to keep track of troops on the battlefield.

Unlike its competitors, Laser-Scan uses a different method of digitising map information and is semi-automatic rather than fully automatic as are most competing systems.

This means that an operator sits at the console and intervenes if the computer controlled digitiser loses its way and stops. This digitiser can be programmed to follow boundaries, contours and other map features. It stops if it meets a junction or a break in the line. The operator can then ensure that the map is correct at all stages of digitisation.

With other processes based on fully automatic raster scan systems, the whole of the map is scanned and digitised in one go. Then the cartographer has to correct all the mistakes which the computer makes in digitising symbols as the computer cannot easily discriminate between them. Errors are also introduced by the raster scan technique which approximates a line with a series of dots.

Laser-Scan's system, called Lasertrak, uses a laser to follow lines and symbols rather than scan the whole map. Once a line has been tracked and digitised by one laser, a second laser points out the line from the picture. This is done because a photographic film overlays the map which is in the form of a photographic negative. Running the second laser



The system uses two lasers, one blue and one red, to read and write, as part of the map digitising process.

over the map darkens any line it touches and thus points out the line. This allows the operator to check progress.

Turning maps into digital form is becoming increasingly popular among cartographic agencies and government-controlled mapping organisations.

There are some benefits in digitising maps including the ability to easily edit maps which are stored in the memory of a computer and to scale up or down from map information stored in one scale.

Business for digital mapping mainly comes from government agencies such as the Ordnance Survey in the UK and the military. Utilities are another large customer.

Examples of private sector use are automated mapping in land use planning and forestry. Oil companies use them in the location of pipelines and pumping stations. Utilities plot underground cables, building connections and manholes.

Ordnance Survey, for example, today holds more than 20,000 large-scale maps in digital form which are used mainly by local authorities and public utilities. OS already has some of Laser-Scan's equipment. It is looking at the potential demand for its small-scale maps to be sold on magnetic tape for home

and office computers. Without automated systems for digitising maps it could take up to 50 years to carry out the work with manual digitisers. With automation it would still take more than a decade.

It is expensive to enter digital mapping costing a company about £500,000 for complete systems. And there may not be great advantages for several years. Laser-Scan, for example, says that it can be ten to 20 times faster to digitise contour maps automatically compared with manual versions, but perhaps, only twice as fast for the more complicated town maps.

Laser-Scan, which had a turnover of £2.68m in 1983, realises that it must sell in America because it is the largest single market in the world for mapping. International Data Corporation estimated that the market for computer aided mapping in 1983 was worth about U.S.\$135m in the U.S. and this is forecast to triple by 1987.

Last year Laser-Scan floated 30 per cent of its shares on the Over the Counter section of the New York Stock Exchange. It has set up an office in Washington and made an important sale in Canada to Ronald Carriere and Associates, a mapping and consultancy company.

**7 SEET** Complete protection from corrosion and moisture damage

John S. Bass and Co. Ltd.  
061-834 3071  
Telex 666736

## Exhibitions

### Test shows merged

TWO EXHIBITION organisers, Network Events and the Euro Stratum Communications Group, have decided to work together to stage a single test and measurement exhibition for Europe. The first will be at Olympia from October 31 to November 1, 1984.

It will be called the International Test and Measurement Exhibition, ITAME, and will incorporate the existing IATE (Automatic Test Equipment) and Testex shows.

A joint announcement from the two organisations states that the decision was taken by an independent committee representing a broad spectrum of organisations in the test and measurement industry. The statement says the move "ends months of controversy and speculation following fragmentation in the exhibition world during 1983."

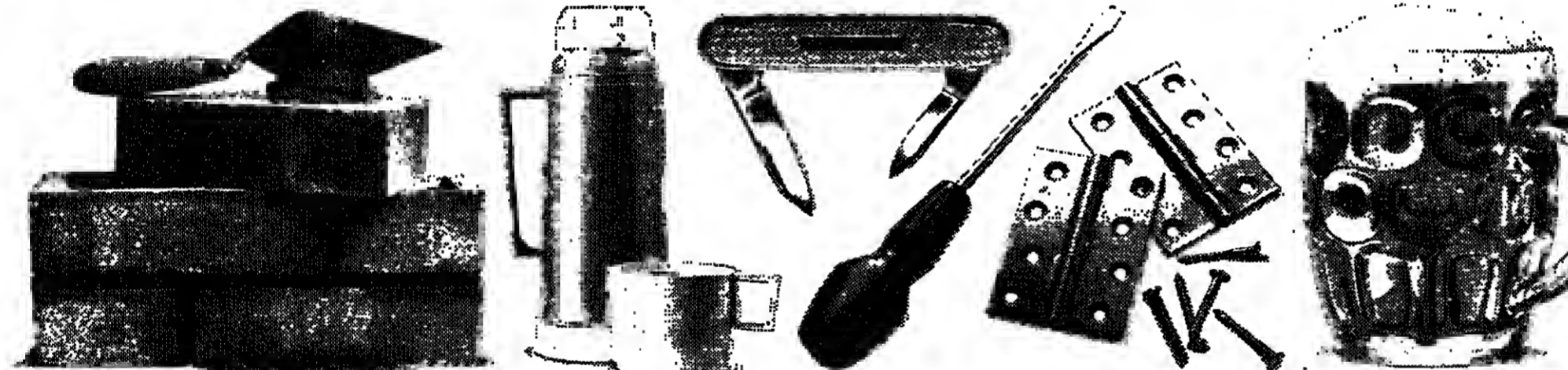
## FMS

### Unmanned manufacture

CINCINNATI MILACRON has developed a new unmanned flexible manufacturing system which embraces machining, pallet handling and automatic work loading, parts measurement, and parts washing.

The units involved are a Milacron T-10 machinology centre with eight pallet work loading stations, an LK horizontal co-ordinate measuring machine, and a CERA wash station incorporating a T3-726 industrial robot.

At the March 84 exhibition, where the FMS system will be on show, there will also be an interactive simulation of the equipment that will enable visitors to change the operating sequences entirely of random. More on 021 351 3821.



**These things have one important ingredient that every director should think about.**



The important ingredient is energy. Every product and every manufacturing process uses it. But some managements do not always appreciate what a significant proportion of the direct cost of production it represents. Nor the amount by which energy costs have risen over the last decade. However, energy is one of the easiest resources to control. And those companies who have applied sound management control over

their use of energy are in a much more competitive position now, and for the future. Which is why a growing number of companies have taken the important step of appointing an Energy Manager. Many have also made use of an Energy Efficiency Survey where consultants will provide an analysis of how a company can make better use of its energy and implement an energy-saving programme. The Energy Efficiency Office will refund part of the consultant's fee. Others have turned to the Energy Conservation Demonstration Projects Scheme for all the latest information about energy-saving technologies and equipment.

If you would like more information on how your company could benefit from energy-saving programmes, fill in the coupon below.

To: The Energy Efficiency Office, P.O. Box 702, London SW20 8SZ. Please send me more information on how I can make better use of energy.

Name \_\_\_\_\_  
Job Title \_\_\_\_\_  
Address \_\_\_\_\_  
Tel. \_\_\_\_\_ FT06S  
**ENERGY EFFICIENCY OFFICE**

Handwritten signature or mark in a box.



THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Shipping in transition

A tactician's touch on P & O's tiller

Andrew Fisher on the changes at Britain's major shipping group

HONEYMOONS do not last very long and that between the City and Jeffrey Sterling, chairman of Peninsular and Oriental Steam Navigation, which has lasted for all of three months, must soon draw to a close.

The next few weeks are likely to be some of the most critical ever for P & O, the UK's largest shipping group, which brought in property man Sterling to take over the wheel after Trafalgar House had shaken the shipping transport and construction group to its foundations by launching a near £300m bid for its last May.

P & O has gained valuable breathing space by the referral of the bid to the Monopolies and Mergers Commission, which is due to report after one postponement—later this month. Will it give Trafalgar the go-ahead? The odds are that it will, and Sterling has been hatching himself and P & O for just that.

More important, will Nigel Brookes lead Trafalgar, also involved in shipping and construction, back into the fray? That is less certain, though Brookes is not a man to give up easily. As well as adding to his oil interests, Trafalgar has indicated it may add to its offshore construction interests by moving into Scott Lithgow on the Clyde.

Both Brookes and Sterling are acute tacticians, well versed in the intricacies of takeovers. Until Sterling was appointed to the P & O chair, which he occupied last November, the company did not have the sort of leadership to give the City confidence that it could, or deserved to, beat off the bidder.

Sterling himself, now well out of the wilderness after turning round Town and City Properties from the disastrous period of the mid-1970s property collapse, makes little mention of the bid in conversation. "We will dictate the future of this company," he asserts. "We are running a company for the 1980s and 1990s."

Another key event this month, and a pointer to P & O's future ambitions, will be the floating out in Helsinki in two weeks' time of the group's

£100m luxury cruise ship, to be named the Royal Princess (see illustration). Still to be fully fitted out it will be the most expensive cruise ship ever built. Sterling intends to be at the float-out.

He may well reflect, as the vessel slides into the water at the Warsila yard, of the enormity of the task he has taken on. Running P & O far outweighs anything he has done before. Its profits have lurched about so much in the last decade that the 1982 pre-tax profit of £94m was virtually the same as that of 1973, with a high of \$48m in 1974 and a low of £18m in 1978.

Certainly, he has shaken things up at P & O. He had been a non-executive director since 1980. "He's made an impressive start," said one lead-



Sterling: leading from the front

ing shipping analyst. "The company has been much on the defensive, and he's injecting some sort of drive."

But the 49-year-old Sterling, who spends much of his non-working time on the tennis court or at the chess board (music and charitable work are other key interests), still has to prove himself in the longer term.

As well as running P & O, he remains chairman of Sterling Guarantee Trust (formerly Town and City) and acts as

part-time adviser to Norman Tebbit, Secretary of Trade and Industry.

In his first three months, Sterling has moved fast. He has changed senior management in deep-sea shipping, switched merchant banks, sold a half stake in a gas shipping venture (though the main gas fleet remains), abolished the executive committee — "I don't like committees" — and put his right-hand man at Sterling Guarantee, Bruce MacPhail, onto the P & O board as a non-executive.

He has left employees in little doubt about how he will act. "I intend to lead P & O from the front," he declared in an address also sent to shareholders. He explained that he viewed management as a privilege not a right, wanted entrepreneurial managers who would abide by agreed profit and cash flow criteria, and would bring on young managers.

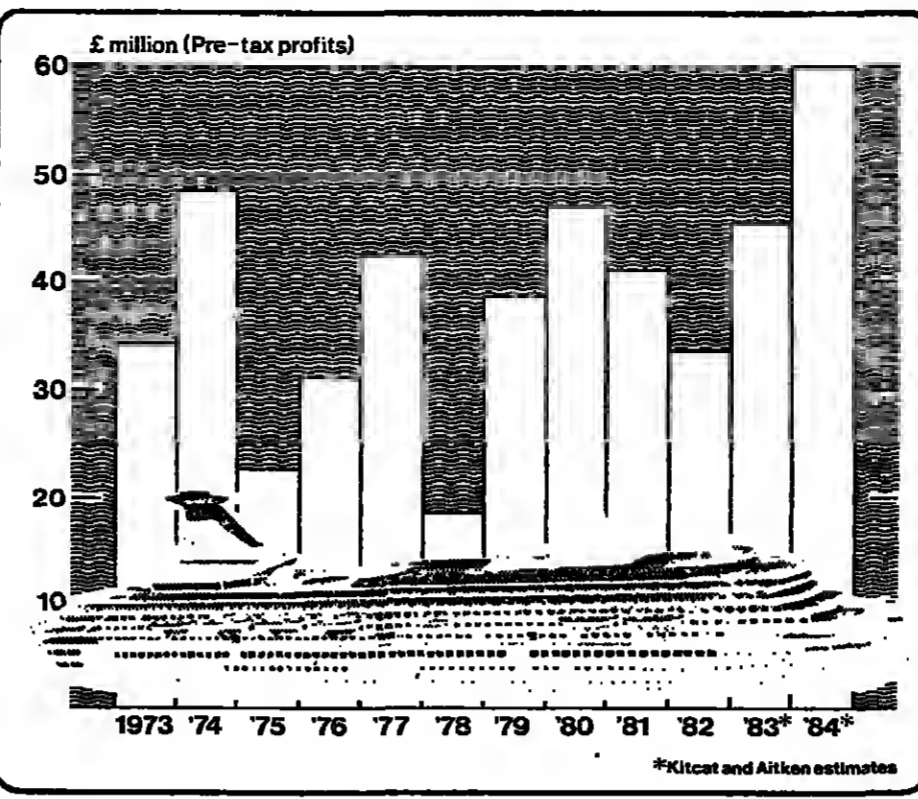
"We are in a fiercely competitive world and there are no prizes for coming second," he said aggressively in the address. But it will take more than words to shake off Trafalgar, if Brookes storms back, even though Sterling must have brought some impressive institutional backing with him to P & O.

Sterling, who does not come from the traditional Eton and Cambridge background of his predecessor, the shy but determined Lord Inchcape—the new P & O boss went to a grammar school and studied at the Guildhall School of Music—is well aware that results will be needed.

He is passionate about the need to motivate managers and staff. Apart from moving around the company and talking to as many people as possible, he has personally gone through every manager's budget, making clear that he understands exactly what figures mean. His interest in the intricacies of the business, say colleagues, is palpable.

Thus managers have been pressed to justify all their expenditure and, for example, have had to ensure that money owed to P & O is paid as

\*Kitecat and Airkan estimates



promptly as possible. This exercise, within an overall blitz on working capital, has helped towards bringing debt sharply down at the year end from the £375m at the end of 1982.

Several expansion moves are contemplated in shipping, and Sterling's commitment to decentralisation has just been shown with the decision to move out of the Beaufort House headquarters in the City.

Beaufort House will go up for sale and the lease should fetch around £15m. The move to a small central West End office, with some activities staying in the City, cruises moving down to Southampton and bulk shipping to south London, should save around £2m a year. Later, the former headquarters in Leadenhall Street, which P & O left and rented out when the going got tough in the late 1970s, could be sold for up to £70m, if a buyer appears.

If Brookes has done nothing else, therefore, he has been a catalyst at P & O, with its erratic profits record. It has spent much of the last few years trying to extricate itself from the mountain of debt which piled up during the heady days of its over-expansion in the 1970s. After its bid, Trafalgar still has a 7 per cent stake in P & O, with Sterling Guarantee having recently built up a 4 per cent holding.

Since 1978, P & O has sold ships, oil exploration interests and property to try and restore its fragile balance sheet. So Sterling's task will not just be to ward off or discourage Trafalgar, but to give P & O the shape and style it has so long lacked. "My contribution is to accelerate change," he says. "I think one can motivate people to be excited at that prospect and not afraid of it." But he adds: "It is important to stress that you don't have to do anything dramatic. If the business is well established, rich in tradition and history, nothing dramatic is needed."

and property to try and restore its fragile balance sheet. So Sterling's task will not just be to ward off or discourage Trafalgar, but to give P & O the shape and style it has so long lacked.

"My contribution is to accelerate change," he says. "I think one can motivate people to be excited at that prospect and not afraid of it." But he adds: "It is important to stress that you don't have to do anything dramatic. If the business is well established, rich in tradition and history, nothing dramatic is needed."

Sterling sees P & O as an international transportation group with one major and successful diversification, the Bovis construction company. He does not plan to go into unrelated areas. Some peripheral activities may even be sold off, though only at the right price.

Gas ships

Several new ideas are germinating on the shipping side. Talks have begun on the possibility of buying a new 170,000-deadweight ton bulk carrier—these cost around \$30m—for the iron ore trade from Australia to the steel mills of Japan. This would be linked to firm freight contracts.

The £60m project to build a large new ferry for North Sea Ferries, in which P & O's partner is Nedlloyd of Holland, may be revived, if the man-

agement's case is convincing enough. And having just sold its half share in the Mundogas fleet of five gas carriers to partner Thyssen-Bornemisza of the Netherlands for around \$16m, it is looking at "exciting proposals" from the Far East for its fully-owned fleet of nine gas ships.

Expansion at P & O Ferries, where the company is dwarfed in the cross-Channel market by Townsend Thoresen and Sealink UK (part of British Rail, and soon to be privatised), is less certain.

But like Brookes, he has been eyeing Sealink itself. He has just formally told the Government he is interested. Full bids have not yet been requested by the Department of Transport, which wants to sell to one concern—the price could exceed £50m, depending on how much debt is written off—rather than go for a share placing in the City.

In the offshore sector, where 75 per cent-owned P & O Australia has a fleet of service vessels, there is hope that the group of oil exploration off China will lead to new business. Like TCB (formerly Twentieth Century Banking) and P & O Falco (the highly profitable, mostly U.S.-based, oil trading company), P & O Australia could eventually be sold off, if the right price were offered.

Most analysts expect 1983 pre-tax profits for the group to be £55m or more, with up to

£60m in 1984. Sterling indicates that for last year at least, they will not be disappointed. A dividend rise from 10p to around 12p is also hoped for by the City's P & O watchers. As for a possible merger between Sterling Guarantee and P & O, which would probably deter Trafalgar House for good, he says this is purely an option.

It is too future profits and dividends, if P & O stays independent, that Sterling's performance will mostly be judged. He has taken pains to see that those running the various businesses are in tune with his style. Thus he has changed the top management at the deep-sea shipping division to promote a more entrepreneurial approach.

The abrupt change of merchant bankers from J. Henry Schroder Wagg to Morgan Grenfell, the takeover specialists, was also made to accord with the sharper Sterling style. He did away with the executive committee, which used to recommend key investment, sale and budget decisions to the full board, because he saw it as superfluous.

Sterling is determined to avoid any situation in which one part of P & O's business could pull down the rest. In any new venture, potential profits will have to be firmly measured against the downside risk.

Among its basic activities, Sterling sees the present seven-ships cruise fleet, valued just after the bid at £140m, as a modern continuation of the former P & O passenger business, with the 47 per cent stake in the Overseas Containers Ltd (OCL) consortium as a follow-on from its pre-container liner shipping side.

If Trafalgar, involved in both cruising and container ships via Cunard—its cruise flagship is the ageing QE2—did acquire P & O, the OCL stake would have to be offered first to the other two UK shareholders. Its value could be around £90m.

With Sterling now on centre stage at P & O, and Brookes waiting to see if he can re-enter from the wings, the UK shipping sector has been given a timely jolt since last summer. Rises in both companies' share prices have increased the valuation of the original all-share bid to over £380m. So Brookes would obviously have to revise Trafalgar's terms if he had a second try.

He has argued strongly that considerable cost savings would flow from a merger of the two groups' shipping and construction interests. Trafalgar's past record is certainly much more sparkling than P & O's. Sterling is now out to prove that the job of making P & O a tighter and more profitable ship is very much under way.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Non-resident status and capital gains

I currently run a small family business with my wife as principal partner.

I am considering visiting the continent before April of next year in order to investigate the possibilities of setting up a subsidiary operation in France and will expect to be away for something over 14 months. During that time I consider that I would be classed as a non-UK resident for tax purposes since I would receive no drawings from my company in England.

I see my non-resident status as presenting an opportunity to dispose of a secondary property, owned solely in my name since 1960, for I understand that if a sale is arranged and completed during the fiscal year I am away there will be no liability for capital gains on the profits arising from the sale.

I would be pleased to bear whether you consider my supposition viable and if there would be any likelihood of being assessed for the profits on my return. I also believe that I would return during that year for a short visit without the loss of non-resident status. Is this so?

On the bare facts, it is unlikely that you would be regarded as neither resident nor ordinarily resident in the UK for 1984-85. To escape CGT, it is not sufficient merely to remain outside the UK for the whole of one tax year.

You will find general guidance in the following free booklets, which you have no doubt seen recommended in our columns from time to time: IR25—Taxation of foreign earnings; IR20—Residents and non-residents: liability to tax in the UK; and IRI—Extrastatutory concessions. They are obtainable from most tax inspectors' offices.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

THE UNIVERSITY OF JORDAN LIBRARY SERIALS No. 48270 CLASS DATE 16 APR 1984

VANOL A worldwide commitment to oil.

LONDON • ROTTERDAM • ZUG • DUSSELDORF STUTTGART • PARIS • ANTWERP • MILAN • MADRID NEW YORK • CARMEL • BERMLUDA • DUBAI



THE SECOND Fleet News MOTOR SHOW

Learn all about cost efficiency at the Fleet News Motor Show.

Running a fleet of toy cars and trucks might be the most cost efficient way, but it might impair the efficiency of the business.

The 2nd Fleet News Motor Show however is specifically designed to ensure that you are fully aware of all the products and services available. Tyres, petrol & oil, leasing and contract hire,

computers and of course all of the major car and commercial vehicle manufacturers will be there with their latest models to see and to test. Send the coupon to: Dave Smith, EMAP International Exhibitions Ltd, Park House, 117 Park Road, Peterborough, PE1 2TR.

Please send me [ ] tickets for The 2nd Fleet News Motor Show '84. Date: Name: Company: Position: Address: Dave Smith, EMAP International Exhibitions Ltd, Park House, 117 Park Road, Peterborough, PE1 2TR.

Wembley Conference Centre. February 29th, March 1st & 2nd.

THE ARTS

Television/Christopher Dunkley

Why the BBC gets it wrong



Rachel Ward and Richard Chamberlain in 'The Thorn Birds'

In the last ten years ITV has proved highly successful at stealing the BBC's clothes; that is the BBC's first blunder. The second is that recently the Corporation has had scant success at turning the tables to steal the BBC's ideas for chartoppers. And the third is that when the BBC does manage to find a ratings winner for the first time in ages—The Thorn Birds—Government ministers promptly start a whispering campaign accusing the BBC of abandoning the pursuit of quality and warning that it may have to whittle for an increase in the licence fee.

The tone in which the words "You just can't win, can you?" are being pronounced this week on the sixth floor of the BBC Television Centre and the third floor of Broadcasting House are doubtless very bitter. Only last Wednesday, the day the whispering campaign began, the BBC's weekly Confidential Programme Review Board was being told by a top executive that whatever the critics might say about The Thorn Birds (quasi pornographic trash would be my own encapsulation) it had entertained a huge audience. The final episode attracted 15.7m, the BBC's biggest audience for more than two years and if he had anything to do with it they would be screening plenty more material like that. The Corporation could find it at similar prices. The BBC are said to have paid the Americans \$600,000 for the eight-hour series. It would cost them a minimum of £2m to originate that much similar drama themselves.

There is little difficulty in understanding that executive's attitude. Terror was injected into BBC hearts in the mid-fifties when the young TV channel soared away to a 70-30 lead in the ratings. BBC lore has maintained ever since that any regular audience split worse than 55:45 against the BBC will endanger the licence fee. Why should the government indulge odium by increasing the licence fee "free" commercial television satisfies most of the audience?

The BBC promptly set about learning how to amass ratings with everything from situation comedies to lighter current affairs. Those were the years of TW3 and The Wednesday Play, Steptoe and Son, and Dr. Who. With leadership which was shrewd and brave enough to give rein to some of its more wild and dangerous spirits the BBC for a while became a hotbed of innovation and fun as well as high quality. It tended to look a bit staid by comparison. The result (not forgetting the BBC's huge advantage in having two channels against ITV's one) was so successful that throughout the 1960s and 1970s the ratings split remained almost static at 50:50 BBC to ITV. But then two things happened to bring the BBC to the nasty watersheds at which it now finds itself.

First ITV reversed the competitive process by developing high quality programmes in many areas. Today they can point to Weekend World and World In Action as examples of excellent current affairs series; to Bradstreet and Jewel In The Crown as world leaders in quality serial drama; to News At 10 as the most respected and Choral 4 News as the most experimental of news programmes; to the South Bank Show and a cluster of Channel 4 programmes in the arts; to such major documentary series as The Spanish Civil War, Vietnam—A Television History, Heart of The Dragon, and so on. There are still whole areas in which the BBC maintains its lead, though rarely undisputed. Certainly TV has nothing in the way of daily current affairs to compare with BBC 2's outstanding Newswatch, and the Corporation is still the clear leader in special events, its tenacious hold on exclusive contracts and the unmatched expertise of its outside broadcast units and commentators. It also leads in children's programmes, educational programmes, comedy, single plays and Fair Isle sweater serials which it now extrudes like sausages from a Wall's factory. Sunday saw the start of two more: Gordonie Mr Chips and One By One which appears to have been cloned off All Creatures Great And Small.

The second factor to affect the BBC was the approach of vastly increased choice for the viewer. Channel 4 improved commercial television's competitive position (ITV and C's audience share has not slipped below 51 per cent since August 1983 and three times has climbed to 58 per cent) but Channel 4 merely represents the last gasp of the old system of rationed television using tall transmitter masts and scarce wave lengths. More important than Channel 4 are precedents illustrating the process now beginning with the new technologies and setting

awful problems for the BBC were the opening of local radio and the start of breakfast television. Both were first mooted in the commercial sector but both were launched first by the BBC. Each new aspect of broadcasting represents a fresh way for the commercial sector to make money—even if it takes time as with local radio and breakfast television. But for the BBC every new area means a need to stretch the licence fee further. Spend a few millions on breakfast and your budget obliges your drama department to import American rubbish such as The Thorn Birds instead of originating another Boy From The Blackstuff. Some critics suggest that the BBC should simply stop its frantic attempts to match every move made by commercial broadcasting. However, Corporation feeling has always been that if whole areas of broadcasting are everced voluntarily to commercial interests an inexorable process of shrinkage will have begun which will end inevitably in the marginalisation of the BBC. CorporaCon eyes are often cast nervously upon the scene across the Atlantic where a rampant commercial system overshadows a tiny public service sector which may attract critical applause by showing British quality drama but is of little account in the larger broadcasting scene. Hence the BBC decision to spend a lot of money preparing ITV's breakfast plans. Hence the early claim to satellite channels. But the satellite plans are now stretching the Corporation on the rack in a manner which will surely bring some all too familiar ITV-analogy. Independent research to be published soon will show that whatever politicians may believe about the level of the licence, the public values BBC programmes way above the present £46 annual fee.

Uplifted by the BBC's best friends and even the most diehard champions may start to hope that the Corporation is trying to scramble into bed with ITV. It is at this stage that even the BBC's best friends and even the most diehard champions may start to hope that the Corporation is trying to scramble into bed with ITV.

But for the BBC every new area means a need to stretch the licence fee further. Spend a few millions on breakfast and your budget obliges your drama department to import American rubbish such as The Thorn Birds instead of originating another Boy From The Blackstuff. Some critics suggest that the BBC should simply stop its frantic attempts to match every move made by commercial broadcasting. However, Corporation feeling has always been that if whole areas of broadcasting are everced voluntarily to commercial interests an inexorable process of shrinkage will have begun which will end inevitably in the marginalisation of the BBC. CorporaCon eyes are often cast nervously upon the scene across the Atlantic where a rampant commercial system overshadows a tiny public service sector which may attract critical applause by showing British quality drama but is of little account in the larger broadcasting scene.

Hence the BBC decision to spend a lot of money preparing ITV's breakfast plans. Hence the early claim to satellite channels. But the satellite plans are now stretching the Corporation on the rack in a manner which will surely bring some all too familiar ITV-analogy. Independent research to be published soon will show that whatever politicians may believe about the level of the licence, the public values BBC programmes way above the present £46 annual fee.

Although the BBC has always opposed the domino theory to

should do commercial with its more popular services (from which I think it is safe to assume it will be Radin 4 and then BBC1) it was accepted from the very beginning that this principle would have to be abandoned for satellite service which simply could not be financed out of the licence fee. Now, having agreed to surrender its virement only to find that even that won't provide enough money, the Corporation is trying to scramble into bed with ITV.

But for the BBC every new area means a need to stretch the licence fee further. Spend a few millions on breakfast and your budget obliges your drama department to import American rubbish such as The Thorn Birds instead of originating another Boy From The Blackstuff. Some critics suggest that the BBC should simply stop its frantic attempts to match every move made by commercial broadcasting. However, Corporation feeling has always been that if whole areas of broadcasting are everced voluntarily to commercial interests an inexorable process of shrinkage will have begun which will end inevitably in the marginalisation of the BBC. CorporaCon eyes are often cast nervously upon the scene across the Atlantic where a rampant commercial system overshadows a tiny public service sector which may attract critical applause by showing British quality drama but is of little account in the larger broadcasting scene.

Hence the BBC decision to spend a lot of money preparing ITV's breakfast plans. Hence the early claim to satellite channels. But the satellite plans are now stretching the Corporation on the rack in a manner which will surely bring some all too familiar ITV-analogy. Independent research to be published soon will show that whatever politicians may believe about the level of the licence, the public values BBC programmes way above the present £46 annual fee.

Although the BBC has always opposed the domino theory to

Unsuitable for Adults/Bush

Martin Hoyle

The pub landlord has scooped the lunchtime stripper-kicker, in an important sense, the show's first victim, and the thought of the name who recently murdered her colleague... The climax, as Kate's anger, frustration and loneliness erupt during her act with bloody results, is powerfully written and compellingly acted by Felicity Montagu who takes in the aggressive and the vulnerable, the soft and the spiky, with harrowing ease. Mike Bradwell evokes perfect playing from his cast of six. Inevitably, I single out Saul Jeppott's hearty incompetence (but excessive success) as pre-tydicator; Joanne Pearce's gormless stripper, smiling politeness hiding panicky incoherence; and Ivor Roberts's absolutely real paternalistic landlord breathing life into what might sound corny. Mr Johnson cheats with the stripper's background and appends a happy epilogue the play badly needs, but these small flaws in a work of fun, pain and humanity.



Felicity Montagu

Academy of Ancient Music

David Murray

The period instruments of the Academy orchestra have been smudged by their often being used in the wrong way. Haydn's 83rd Symphony, "La Poule," did have some heavily conscious touches (plonking lower-string lines in the Allegro spiritoso, for example). Light, brittle delivery sounded apt in the speedy music; in the Andante, Haydn's bold theatrical strokes—bated-breath pianissimos cut by ff explosions—utterly lacked conviction. The "Jupiter" Symphony began impressively fast, a mere type-written character without expression, and the great Finale, only a little less reckless—had to fend for itself, since Hogwood did nothing to define its structure. Technical "authenticity" is one thing; musicianly responsibility is another, and I thought it was gravely scamped.

That said, I have to confess that I found the performances by Mozart and Haydn made up the programme, but the aural returns seemed to diminish steadily. The pleasure of hearing Mozart's Symphony No 29 began at the right period-brisk tempo, conscientiously inno-cent of modern point-making, was supplanted by a feeling that the points really have to be made. The Andante seemed tasteless dinner-music, nothing more. In the quick outer movements, the virtues of dividing

March opening for 'Starlight Express'

Starlight Express, the latest musical composed by Andrew Lloyd Webber, opens at the Apollo Victoria on March 27, with a script by Richard Stilgou, directed by Trevor Nunn, and starring Stephanie Lawrence. The show is budgeted at £2m, a record for a West End production.

view of the top pop hits of 1983; the premiere of Feydeau's merry Der Floh im Ohr (Flea in the Ear) at the Staatsoper, directed by Wilfried Grottel for theatregoers from neighbouring France and Luxembourg as well as the home audience; and some of the finest cuisine found in this part of the country between Trier and Alsace. Oskar Lafontaine, a name in the Social Democratic Party and a recognised leader in the Peace Movement, spends a good deal of his free time at the Max Ophüls competition. He chaired a roundtable discussion with directors of other prominent German film festivals (Berlin, Mannheim, Hof) and went for all of his way this year to encourage additional state and government officials to support the modest local affair. The German Oscar, which has blossomed into a key festival event, up to now, the city alone funds the primary DM 2,000 award. Saarbrücken '84, with all the pleasures it offered, however, could not make up for a rather miserable production year across the board in German-speaking Europe. The Max-Ophüls-Preis went to Marianne Rosenbaum's Typographische Frieden (Peppermint Peace) from West Germany; the children's film with an adult twist in the dream-and-fantasy sequences is set in

Endymion Ensemble/Wigmore Hall

Andrew Clements

"Transatlantic Connections" is the umbrella title of the current series organised by the New Macnaghten Concerts. But in Monday evening's programme in the Wigmore Hall the connection between the transatlantic representative Henry Cowell, and the three young British composers included must have been a highly tenuous one. Cowell's pioneering spirit—a fond euphemism for many a composer who talked better music than he wrote—appeared to have had precious little impact on the determinedly European outlook of Anthony Powers, Erika Fox and Vic Hoyland. All three produced new works for the occasion, two of them commissioned by the Macnaghten Concerts (Powers and Hoyland), the third the winning entry in the Gerald Finzi Composition Competition. Erika Fox's Kleinsonata was a penetrating, sometimes congested work. Both the title and the instrumentation—flute, cello, harp, vibraphone—suggested something basically decorative, and so the piece began, with statements of an economical three-note motif passed around the ensemble in a rapidly changing texture. Yet gradually the simple classification broke down. Instrumental lines took on independent lives and some-

John Nelson/Barbican Hall

Max Loppert

John Nelson, an American conductor of note (with performances at the Met of Les Trovans and Jenufa, among other operas, to his credit), is not well known on this side of the Atlantic—it was unclear from the programme biography, whether in fact Monday's Royal Philharmonic concert represented his London debut. At all events, the male in it a strong impression. Performances were consistently forward of delivery, clean of profile; the RPO produced its liveliest form throughout the evening, which is always a special pleasure on the rare occasions when it happens. Moments of loose ensemble, in the opening Britten Sinfonia da Requiem, and later in an otherwise glowing account of the Vaughan Williams Tottis Fantasia, suggested an amount of time shorter than the conductor might ideally have liked. Americans are usually permitted to bring with them a small handful of native works to perform with the big British orchestras. Gershwin, Copland, and Bernstein describe the

El Dorado/Stratford, E.15

Michael Coveney

There is rather more of an interesting kernel than achieved substance about Michael Abbenetts's new play at the Theatre Royal, Stratford East. The curtain rises on a breath-takingly impressive wooden interior of the Vaughan manse, designed on a plot by Robin Don. Gregory, a young doctor, is returning home to find his roots after qualifying in London. The place buzzes with eccentric relatives and a maid, all under the supervision of Faith Brooker's insufficiently (as yet) scene white matriarch. El Dorado is the house of a self-made black man who married a white woman, a widower, Jessica van den Bergh plans to bypass a generation and hand the place on to her grandson. But Gregory has heard about the slaves under the floorboards and has found a general practice in Brighton through which he wishes to make his contribution. It is a brilliantly unfashionable idea of Mr Abbenetts to place the discussion of racial

Dutch paintings to follow on Venice at RA

An exhibition of Dutch genre paintings of the 17th century is to be the Royal Academy's main event of 1984. "The Age of Vermeer and de Hooch" will run from September 7 to November 18 and will include four works by Vermeer, including one lent by Queen Dou, Terborch and Metsu are also represented among the 80 paintings on view. The other major exhibition is of 120 paintings selected by

Baron Thyssen-Bornemisza from his own collection of 19th and 20th century art, depicting the Middle East between 1780 and 1914. Works by Gerome, Renoir, Lear, Lewis Roberts and Holman Hunt will be included. The exhibition opens on March 24 and closes on May 27. The Royal Academy is delighted with the critical acclaim poured on its current Venice The Genius of Venice (which closes on March 11). So far it has attracted over 210,000

Max-Ophüls-Preis/Saarbrücken

Ronald Holloway

Saarbrücken now ranks as one of the most important of the nationally-oriented happenings on the annual festival circuit. Its only ironclad rule is a production date from the year before, plus the impression of being a feature-length fiction film. A bustling critic has probably seen all the 1983-produced films programmed at the 1984 Max-Ophüls-Preis. He would still show up—and does. During this year's competition one of the side attractions was a guest lecture at the Saarbrücke University by East German writer Ulrich Plenzdorf (Plenzdorf is the author of The New Sorrows of Young W, a popular updating of Goethe's Sorrows of Young Werther set in the German Democratic Republic of a decade ago). There was also a roundtable discussion on a Sunday morning with dramatist Rolf Hochhuth, whose play Arztrinnen (Doctors) had just finished its run in the Staatstheater repertory; the standing-room-only performance of Hayden's "The Creation" by the Collegium Musicum in the Auditorium of the university, competing with Plenzdorf on the same evening; the "Super Hit Parade of ZDF" in the Saarland-halle, Second German Channel's re-

Arts Guide

Arts Guide

- Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday Exhibitions/Thursday, A selective guide to all the Arts appears each Friday. January 27-February 2
- NEW YORK
- Cats (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually stunning and choreographically fierce, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 8242)
- La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale "La Gaité Parisienne," but the intimate moments borrowed direct from the film. (737 2626)
- Mad Sirens (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off to Buffalo with the appropriate thrust and leger kicking by a large chorus line. (777 9020)
- Three Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen's backstage-to-leadlife incorporates all the wild histories in between, down to the confrontation with his crazy Jewish mother. (944 9498)
- Dreamgirls (Imperial): Michael Bennett's latest musical has now become a sellout Broadway presence despite the record effort to recreate the career of a 1960s female pop group. La Supremes, without the quality of their music. (239 8200)
- Nine (46th St): Two dozen wameo surround Sergio Franchi in this Tony-winning musical version of the Fellini film, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)
- On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slougher on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9770)
- Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence comedy, which premiered at the National Theatre in London. Here the cast includes Mike Nussbaum, Joe Mantegna, James Tolkan and J.T. Walsh. Ends Feb 26 (443 3890).
- E. J. Forum: Moving into its second year, producing melodrama in a hospital setting, this emergency room copes its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3001)
- Candide (Goodman Montage): Munson Hicks, better known as an actor, adds Shaw's (sounded view of a minister's marriage to his list of directing credits. Ends Feb 19. (443 3880)
- WASHINGTON
- Beyond Therapy (Kreeger): Christopher Dargatzis' romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3500).
- Woman of the Year (Opera House): Lauren Bacall plays an overbearing, ambitious woman in this musical version of the 1942 film. Ends Feb 12. Kennedy Center (254 3770)
- LONDON
- Dancin' (Drury Lane): Bob Fosse's answer to A Chorus Line makes Wayne sleep and his Dash company look like the real thing. At least the band is splendid, and so is Jules Fisher's lighting. Anyone who has seen Alvin Nikolais or even Fosse's own All That Jazz need not apply. (838 8106).
- Dear Anyone (Cambridge): Jane Lapotnik, without Piaf's songs, is still a very fine musical actress, but Jack Rosenthal's book to lyrics by Don Black and music by Geoff Stephens is nothing except a few Jewish jokes. Ralph Koltai's design for a newspaper office is an impressive sight. (378 5288).
- Hay Fever (Queen's): Penelope Keith is more "right" for Judith Bliss than were either Edith Evans or Celia Johnson. She is very funny, whimsical, autocratic, distracted. The supporting actors roll over without protest. (734 1191).
- Pack of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruslip of 1959-60. Hugh White-smith's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3986).
- Oskar Lafontaine, the Lord Mayor of Saarbrücken, believes strongly in the cultural value of the cinema: "If theatre can receive DM 12m annually from the city's cultural budget, then the Max-Ophüls-Preis deserves a minuscule DM 80,000." Next year, he feels, the state of Saarland and the West German Government might chip in, too, to support what has now become a coveted German and German-language film award on the Middle European scene. The Max-Ophüls-Preis attracts entries from both the Federal Republic of Germany and the German Democratic Republic, from Austria and Switzerland, and from corners of central Europe—like Südtirol in Italy, Alsace in France, and neighbouring Luxembourg—wherever a German dialect is fostered with a degree of passion. Like the pantheon director after which it was named, the Max-Ophüls-Preis comes in an "open" festival—with an open give-and-take between jury and public. For the fifth competition (January 18-22), 23 directors for 28 entries showed in Saarbrücken; the schedule featured 13 feature films from West Germany, five from German-speaking Switzerland, four from Austria and one from East Germany. Film makers apparently like being here, for attendance and enthusiasm grows with the years—in

ENERGY REVIEW

Kuwait takes up Gulf Oil's European mantle

By Richard Johns

AS GULF Oil retreats as fast as it decently can from Europe to "Fortress America", Kuwait has moved in to fill the breach—buying up many of the U.S. company's assets.

There is a certain irony in the transition. Gulf—still classed as one of the "Seven Sisters" but sliding down the American league table—for 40 years held 50 per cent of the main Kuwaiti oil concession, in partnership with British Petroleum, and grew rich on the proceeds.

Now, short of reserves, it is happy to cede ground to the Kuwait Petroleum Corporation, the state-owned entity which slowly evolved in the wake of Kuwait's full nationalisation of its oil and gas industry in 1975.

The latest deal was finalised last week when KPC agreed to buy Gulf Italiana SPA for an

next year, with major expansions of the Mina Ahmadi and Mina Abdullah plants which are now being implemented. The Italian network will provide an outlet for the equivalent of about 50,000 b/d of products.

In obtaining the bulk of Gulf Oil's downstream assets, Kuwait has stolen a march on Saudi Arabia. Towards the end of last year Sheikh Ahmed Zaki Yamani, the Saudi Minister of Oil, revealed that his country was planning to go downstream, an objective first stated in 1972 but subsequently abandoned.

Over the next two years Saudi Arabia will bring on stream 465,000 b/d of refining capacity from joint venture projects with Shell, Mobil and Petrolia. It must find markets for half the production.

Late last year Sheikh Yamani confirmed that Saudi Arabia had been interested in buying Standard Oil of California's refining and marketing interests in Europe. These, however, are to be absorbed into the network of Texaco under an agreement reached last November but not yet finalised. Texaco, unlike Gulf and Shell, is aggressively pursuing expansion abroad.

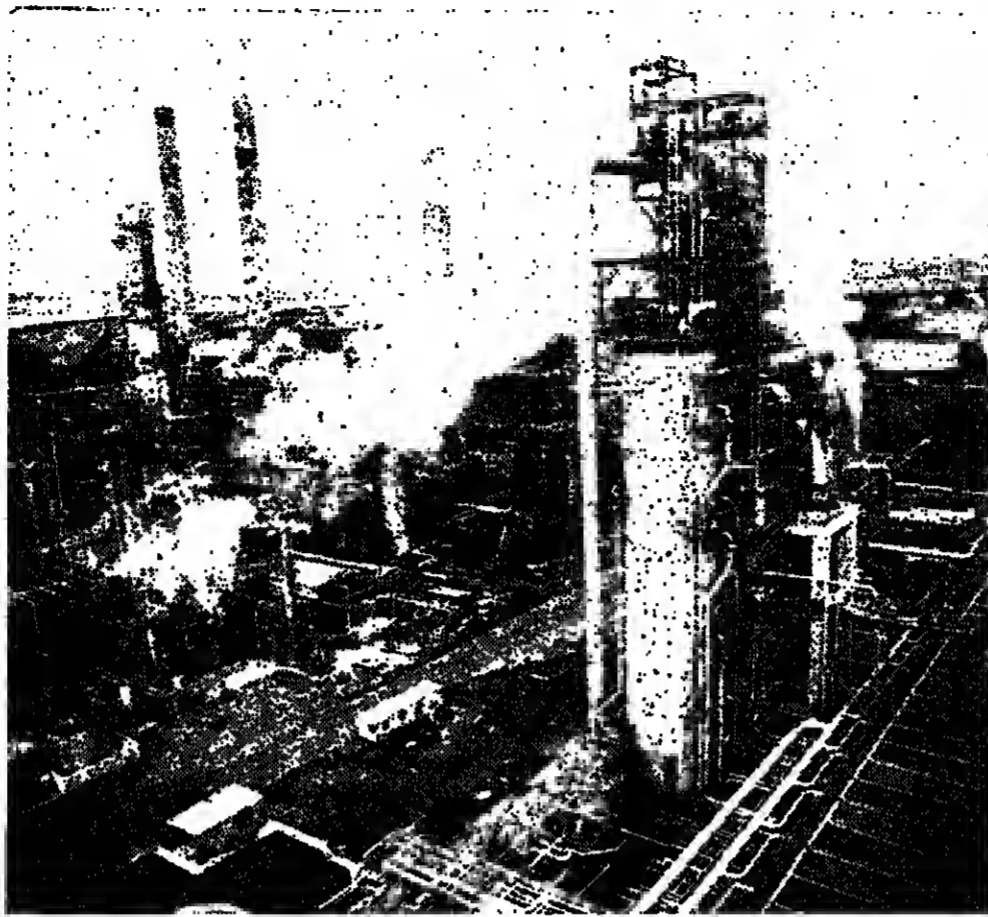
That was one opportunity lost by the Saudi Government. Another was the purchase of Amoco's Italian assets, which were bought last year by First Arabians, a corporation, the company headed by a Lebanese entrepreneur, Mr Roger Tamraz, though largely owned by private Saudi interests.

Market observers were sceptical as to whether First Arabians' affiliate, Tamol, acting in isolation, could turn the operation into a profitable enterprise. It consists of a refinery at Cremona, with a capacity of 100,000 barrels a day, and a network of 1,100 service stations. But Tamol claims to have done so well.

Nevertheless, there is continuing speculation that the operation might yet be sold to the Saudi state oil agency, Petromin.

Tamol, as it happens, also put in a strong bid for Gulf Italiana SPA—and are believed to have offered a higher price—but the Kuwaitis were able to clinch the deal. In its negotiations with Gulf in the winter of 1982-83, KPC balked at both the asking price and the prospect of owning the 82,000 b/d refinery at Sarni, near Milan, which Gulf "wrote off" in 1982 at a cost of \$91m.

It also opted out of competing for Gulf's business in



The Texaco-Gulf fluid catalytic cracking unit at Milford Haven, south Wales: a hurdle to any Kuwaiti deal with Gulf in Britain

Switzerland, where Shell absorbed its 9.5 per cent share of market and a 25 per cent stake in the Cressler refinery. Certainly, KPC will have established its Italian foothold for a lower price than Gulf would have contemplated a year ago. In Kuwait, corporation officials say that the outlay will be "much less" than the cost of the Benelux and Scandinavian assets. They cost about \$129m in cash and \$175m in crude oil. Negligible value, if any, seems to have been placed on the mothballed refinery, which KPC has no intention of reactivating. It will supply products for the newly acquired network from Kuwait and in the process add to its already substantial sales to Italy. KPC was, anyway, providing Gulf Italiana SPA with products indirectly through traders.

The deal gives KPC 1,500 petrol stations (many of them

small one-pump family-run affairs) and three operations servicing airports, including those at Rome and Milan, which are rated as highly valuable assets.

Kuwait Petroleum International, the London-based subsidiary set up by KPC to run its downstream operations in Europe, calculates that the Italian operation will add about \$600m in sales to the \$1.4bn generated by the marketing and refining businesses in the Benelux and Scandinavia.

Those takeovers involved two refineries, four tube plants, 17 terminals, a half share of a storage and distribution system in Sweden (with Shell), and a total of 1,575 service stations. The purchase of those refineries made good sense because both were designed to process crude from Kuwait.

Kuwait oil has always been the feedstock for the 75,000 b/d facility at Rotterdam, but the

Stignæs refinery in Denmark, with an effective capacity at present of 50,000 b/d, has been run in recent years mainly on Saudi crude. Now, however, it has been switched back to Kuwait's medium, somewhat sulphurous variety for most of its requirements.

Mr Nader H. Sultan, president of KPI, said in December that the corporation's five distribution networks in Europe accounted for 118,000 b/d of Kuwait production out of total output by the state of about 1m b/d. That would include a proportion exchanged for the 30,000 b/d or so of light crude from Nigeria or the North Sea which it needs for its two European refineries.

The refineries operated at near full capacity last year under KPI ownership, in contrast to 1982 when Gulf slashed throughput and resorted to the spot market to buy products. The corporation's first attempt to expand abroad was

year have left it with no downstream business in Europe except its refining and marketing operations in the UK where the company reckons to have 450 retail outlets and 2.5 per cent of the market.

KPI makes no secret of its interest in these stations—nor Gulf in its wish to sell them as part of its complete withdrawal from the European downstream market. The problem is the 80,000 b/d refinery at Milford Haven and the nearby 65,000 b/d fluid catalytic cracking (FCC) unit owned by the Pembroke Cracking Company, in which Gulf has a 35 per cent interest and Texaco the majority share.

Technically, the performance of the FCC upgrading facility has been superb since it came on stream in the summer of 1982. Recently it has been running above its rated capacity, with a throughput of 71,000 b/d, but that has not been sufficient to transform Gulf's fortunes in the UK.

The trouble is that the cracker cost \$950m to construct, compared to the original estimate of about \$600m. In 1982 Gulf's share of the Pembroke Cracking Company's losses was \$35.81m, nearly all of it relating to defraying the capital cost rather than operations, and more than accounting for the company's overall UK loss (on a historic cost basis) of \$35.41m. The company's losses for Europe as a whole in that year were \$19m, after making allowances for the write-off of the Italian refinery).

KPC has balked at the prospect of taking on such a liability, especially as one of its fundamental objectives is to maximise sales of products processed in its domestic refineries. No talks are said to be going on at present with Gulf Oil. But the possibility of an eventual take-over cannot be ruled out, if the Kuwaitis can force the price down sufficiently.

KPC knows that Gulf's share of the cracker would have to be part of any deal if it were to obtain the coveted petrol stations. Corporation officials in Kuwait are understood to be still pondering how the Milford Haven operation might be made profitable.

In seeking to expand overseas, KPC's attention is now focussed squarely on Europe—and it views the U.K. market more favourably than those of France and West Germany. The corporation's first attempt to expand abroad was

Kuwaiti Exports to Europe: Refined Products

Country	October 1982-September 1983 (millions of tonnes)				All products
	Naphtha	Gasoline	Gas/Diesel	Heavy Fuel	
France	0.314	—	0.023	0.471	0.808
Germany	0.243	—	0.574	—	0.838
Italy	0.297	—	0.712	1.459	2.468
Netherlands	0.473	—	0.112	0.235	0.820
UK	0.077	—	—	0.071	0.148
<b>Totals</b>	<b>1.424</b>	<b>—</b>	<b>1.421</b>	<b>2.236</b>	<b>5.082</b>

Source: OECD

in the U.S., where it held talks in 1981 on taking a half share of a refinery in Hawaii with Pacific Resources Inc of Honolulu. But the deal never came to fruition. Subsequently KPC was irritated by the decision of the Department of the Interior to exclude Santa Fe International, the U.S. company which it purchased in 1981, from federal exploration lease auctions. KPC now regards the U.S. as too sensitive politically and the market there commercially too bad to contemplate downstream ventures.

In Europe, KPC is selling products under the Gulf name, which it is entitled to use for five years, while it works on its own trade mark. The tendency is to keep a low profile while allaying suspicions that Kuwait is about to inundate markets with cheap products and compound the problems of the oil industry.

Kuwait's strategy is to "fill a vacuum in the market rather than to try and use aggressive tactics to buy a place in the market," according to Mr Sultan. He emphasises that KPC is adhering to its official policy of charging its refineries with oil at the official selling price.

Depressed market prices could mean that Kuwait has been receiving a "net-back"—or effective receipts for crude oil refined and exported as products—of as little as \$25-26 per barrel, compared with an official selling price of \$27.30, according to a recent calculation by Petroleum Intelligence Weekly.

In addition, the cost of shipping products in relatively small cargoes is high—a consideration which prompted KPC to experiment last year with combining shipments of crude and products in Very Large Crude Carriers. Yet, with its minimal crude production costs, it can easily absorb refining losses as it seeks to strengthen its position as a seller of products to Europe and the Far East.

KPC's two published reports to date, covering the period up to mid-1982, give no insight into the economics of its refining operations. In the fiscal year 1982-83, however, its overall profit was 307m Kuwaiti dinars (the equivalent of \$1.07bn for that period) and a similar out-turn, far exceeding original forecasts, is expected for 1983-84 by Sheikh Ali Khalifa al Sabah, the Minister of Oil. At an admittedly low level of crude output, refined products have probably been earning more for KPC than crude exports, according to Mr Sultan, the company president.

Kuwait's exports of refined products to Europe in the 12 months ending September, 1983, amounted to just over 5m tonnes, the equivalent of about 100,000 b/d, compared with 2.54m tonnes in the same period of 1981-82. The shipments were substantially exceeded by those of the Soviet Union (32.50m tonnes) and other East European countries (13.83m tonnes) as well as those of Algeria (7.75m tonnes). Nevertheless, exports to several member countries of the European Community were above the tariff-free quotas allowed under the General Scheme of Preferences for developing countries.

Apprehension about possible retaliation prompted Sheikh Ali to warn last November that the Gulf Co-operation Council (grouping the Arab oil producers of the region) would have to embark on serious trade negotiations with the Community and Japan.

In fact, the EEC has not levied any tariffs on imports of refined products over and above the quotas nor does it envisage any such action being taken, despite the downstream problems of the oil industry in Europe.

Brussels is taking a relaxed view of the Arabian challenge at the moment but, with increased Saudi and Kuwaiti capacity in prospect, that could soon change.

THE PRODUCTIVITY BOOSTERS

Wherever you put Sandvik products to work, the results are the same. Better performance—higher efficiency. This is because every Sandvik product has a built-in advantage right from the start.

It involves using the massive technical resources of the Sandvik Group to constantly search for new designs and higher quality materials. Efforts that pioneer new products and techniques and enable us to stay that important one step ahead.

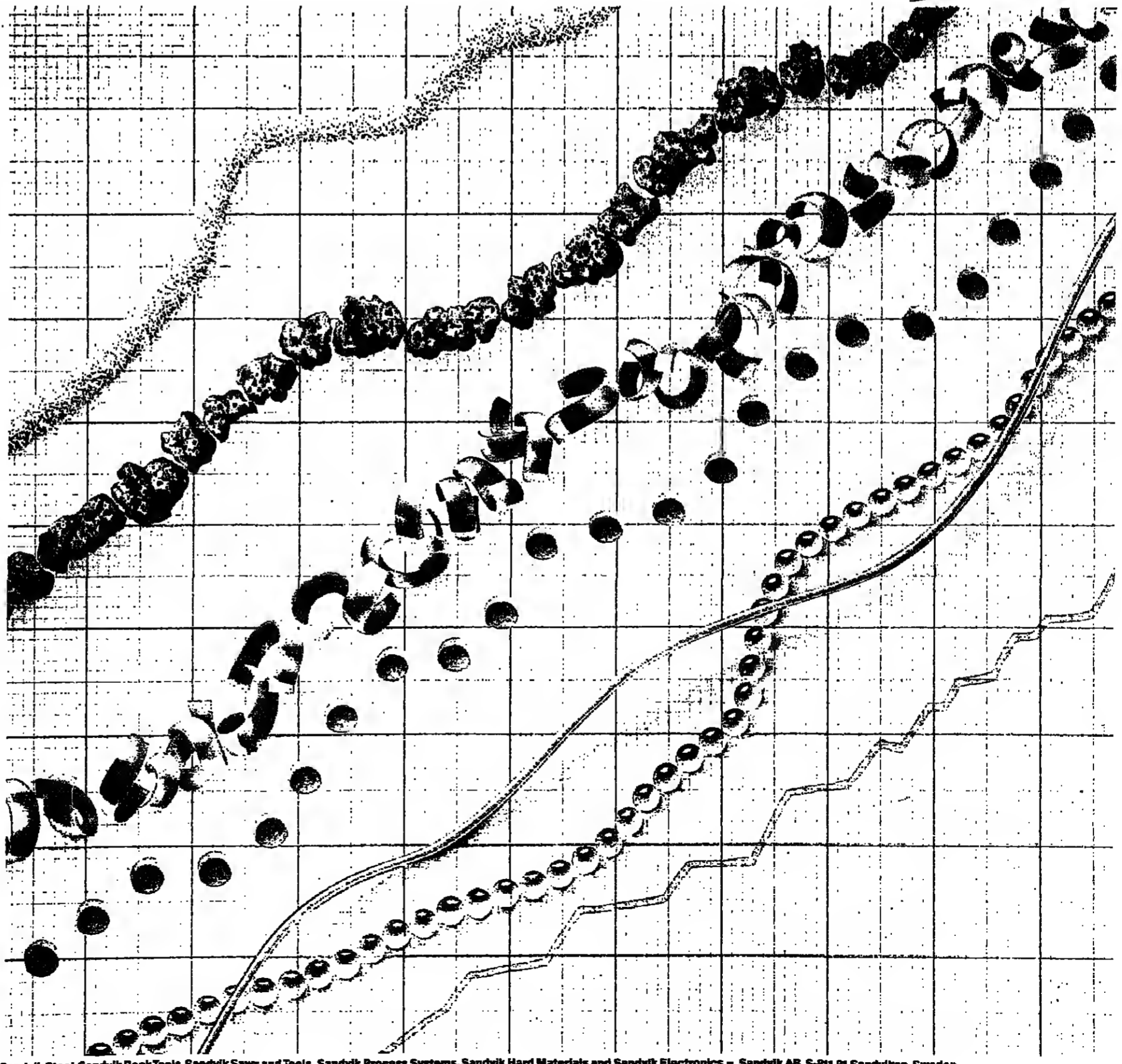
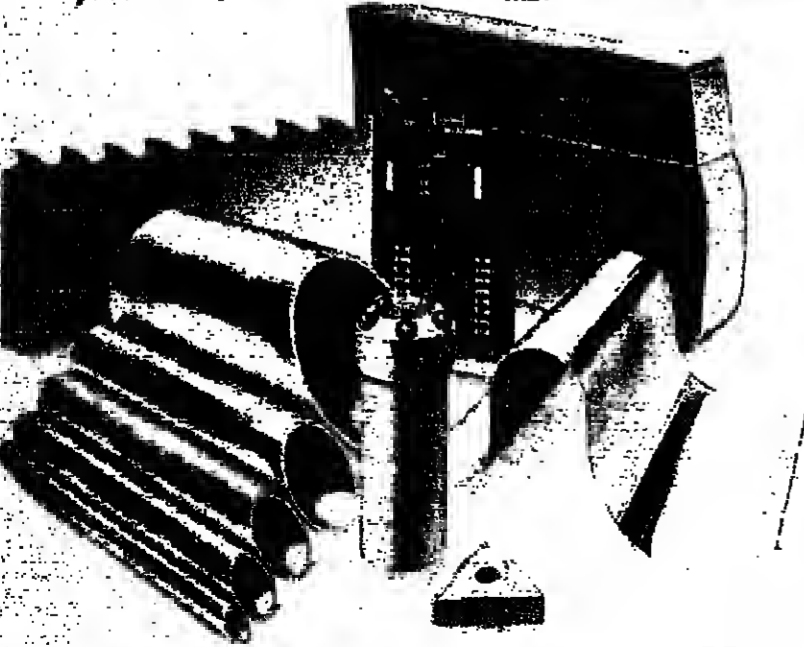
The benefits can be seen in many an industry. In machining, our cutting tools give a superior performance. While complex processes are controlled by sophisticated Sandvik electronics.

In mining and construction our rock tools and wear parts save valuable production time by lasting longer. And in the process industry, our systems increase output.

In the chemical and power-generating industries, our know-how has paved the way to tougher and longer-lasting steels and alloys. And for the woodworking and metalworking industries the same experience has produced higher-performance tools.

But our main Group strength stems from the 25,000 people we employ in more than 40 countries, and from the way that we are organized into highly specialized product companies.

For you, the customer, it means that local expert advice and service are always quickly available. It also means the best possible support when it comes to boosting your productivity.



The Sandvik Group consists of the following independent companies: Sandvik Coromant, Sandvik Steel, Sandvik Rock Tools, Sandvik Saws and Tools, Sandvik Process Systems, Sandvik Hard Materials and Sandvik Electronics - Sandvik AB, S-811 81 Sandvikan, Sweden.

FINANCIAL TIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Wednesday February 1 1984

Good news for those in work

THE LATEST CBI quarterly survey of industrial trends must have been a relief to those in work...

Ceasefire hopes in Angola

IN THE long search for Namibian independence South Africa's decision to disengage its forces in Angola...

Sensible reform

THE Government's White Paper on electoral reform published yesterday deserves almost unqualified support...

MITTERRAND AND THE UNIONS

Why warning lights are flashing

By David Housego in Paris

COMMUNIST sniping at the French Government's industrial policies has been growing steadily more intensive...



Symptom of the changing times: striking workers at the Talbot car plant near Paris

For in attempting to push through a major restructuring of French industry that will eventually cut the industrial workforce by a half million, the Government has had to face three dangers...

"reconversion" zones for declining sectors that were discussed by Ministers on Monday. M Krasucki's warning followed a tough broadside against the Government...

The two left-wing unions share common reasons for wanting now to mark their distance from the Government

officials say that there has been less negotiation than when the Right was in power. Now, suddenly, after the long months of delay...

cent of companies in France accepted to negotiate with trades unions. Collective bargaining has not much of a tradition. But a further major reason why the unions' influence on government is more limited in France and Italy than it is in Britain and Germany is ideological...

are still unclear, it is uncertain who will bear the cost, and the unions are worried that there might be backtracking on existing legislation to entice new investment. They are thus sceptical of the Government's intentions...

Men & Matters

Sweet seat

"I thought at first they must have got the wrong Laing," laughed Sir Hector of that ilk. But no, it is the chairman of United Biscuits that Exxon, the world's largest company, wants on its board...

Baker's station

Rumours that the CEGB is backing away from its Sizewell bid to build a US-type nuclear reactor in Suffolk, seem to be premature...

Cook's stew

Robin Cook, Neil Kinnock's approximation to an EEC Exocet, dropped into Brussels yesterday full of the latest hot gossip from Whitehall.

East wind

Just here and there -- where there is a bit of hard currency stretched by more than half-an-inch," he said.



"I was going to back number five but I hear the jockey's carrying an extra thousand pounds"

Advertisement for Air-India featuring the text 'Rudyard never kipped in such comfort.' and an illustration of a woman in a hat and coat.

Handwritten signature or name at the bottom of the page.

BRITAIN'S NUCLEAR INDUSTRY

The squabbles behind the shake-up

By David Fishlock, Science Editor

FOUR YEARS of bitter squabbling within a divided and unhappy nuclear industry lie behind the new scheme for managing the Sizewell B project...



Sir Walter Marshall, CEBG chairman (left) and Mr John Baker, chairman of the new project management board.

which was set up in the autumn of 1981. Its hopes rested on strengthening the Weststone end of NNC by transferring expertise to it, mainly from the CEBG...

as NNC's chief executive and Mr Tony Wicks from Weststone, as finance director. The project team will unite this year in new premises in Cheshire...

U.S. Budget Deficit

How Europe can help to solve the problem

By Henry Owen

MOST economists agree on the need to reduce the U.S. structural budget deficit, if there is to be a healthy world recovery. And most budgetary analysts agree that this can only be done by a combination of two means: a cut in expenditures and an increase in taxes...

Letters to the Editor

Scott Lithgow: a winner for an entrepreneur
From Mr T. F. Brencley
Sir,—In case he may be thought to be portly, I should like to support what Mr Ross Belch said (Letters, January 26) about Scott Lithgow's record...

Civil servants in the UK
From the International Monetary Fund
Sir,—It has been brought to our attention that some of the figures relating to the UK in our paper on Government Employment and Pay: Some International Comparisons are wrong...

Flaws in World Bank analysis of Nigerian agriculture
From the Institute of Agricultural Economics, University of Oxford
Sir,—Michael Holman's analysis of Nigerian agriculture (January 23) appears to accept in many respects the World Bank's diagnosis of and prescriptions for the agricultural problems of sub-Saharan Africa...

Jobs for economists
From Mr P. Rodgers
Sir,—In the past five years the highest number of jobs for economists I can remember seeing advertised in the Financial Times on a Thursday is three...



Two of America's most valuable exports. Business Week International is a commodity business people all over the world value. No other magazine covers important business events and developments in America and throughout the world with more thoroughness and accuracy...

Handwritten signature or note at the bottom of the page.



International Commercial Banking BNP UK 01-626 5678

SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Wednesday February 1 1984

Thwaites Alldrive 5 ton GIANT. Thwaites Ltd, Leamington Spa, England. Tel: 0926-22471

Xerox results stagnant in year

By Paul Taylor in New York XEROX, the U.S. copier, duplicator and office equipment manufacturer, yesterday reported sharply higher fourth-quarter and full-year net earnings but said that its flat per-share earnings figures for both periods were "more meaningful" in reflecting the company's results.

SIEMENS INVESTS MORE TO FEND OFF INTERNATIONAL COMPETITORS In search of a new dynamism

BY JOHN DAVIES IN MUNICH

SIEMENS, the West German electrical and computer concern, is steadily increasing its investment and research spending as part of a strategy of strengthening its position against international competitors.

Table with 3 columns: Siemens World Sales Pattern, 1982-83, 1977-78. Rows include Total sales (DM bn), Revenue sources (%), Power engineering, etc., installations, Power stations, Communications, data systems, computers, Medical engineering, Other (incl. lamps).

Dr Karlheinz Kaske, chief executive, said Siemens aimed to make its research more creative and dynamic and wanted to speed up the transformation of new ideas into products.

Dr Kaske also announced: ● Siemens increased its net profit by 8.7 per cent to DM 802m (\$255m) in the year to September 30, on sales revenue down 1.6 per cent to DM 39.5bn.

The group is gearing up for series production of its 256K bit chip, while pushing ahead research on the next generation of chips.

The group is gearing up for series production of its 256K bit chip, while pushing ahead research on the next generation of chips.

Diasonics warns of \$60m setback

By Louise Kehoe in San Francisco

DIASONICS, the California-based manufacturer of medical imaging equipment, said yesterday that it expected to report a pre-tax loss of \$60m - \$85m for 1983 and that it would stop manufacturing X-ray digital imaging systems products over the next three years.

Diasonics made an initial public stock offering in February 1983 at a stock price of \$22. Within a few weeks the stock had risen to \$28.75 but this week it has traded for as little as \$8.25.

Chris-Craft acquires Warner shares to block Murdoch

BY TERRY DODSWORTH IN NEW YORK

CHRIS-CRAFT, the U.S. broadcasting group, has begun acquiring Warner Communications shares as it activates the plan by the two companies to prevent Mr Rupert Murdoch, the Australian publisher, acquiring control of the troubled entertainment group.

The Warner/Chris-Craft link may also create complications for Mr Murdoch under the U.S. regulations on the foreign ownership of broadcasting stations.

Competition eats into Douwe Egberts' margin

BY WALTER ELLIS IN AMSTERDAM

DOUWE Egberts, the Dutch tea and coffee group, saw its net income fall from Fl 60.2m (\$19.5m) to Fl 44.5m in the six months to the end of 1983. The company blamed the decline on a continuing price war and increased spending on advertising.

Operating income was Fl 87.4m, compared with Fl 93m a year earlier. Pressure on margins is expected to continue for some time, but it is forecast that cost control measures will gradually balance out the decline.

Dismal year for big German shipbuilder

BY RUPERT CORNWELL IN BONN

HOWALDTSWERKE - Deutsche Werft AG (HDW), West Germany's largest shipyard, capped a dismal year for the industry yesterday by reporting an operating loss of DM 210m (\$74.4m) for the financial year to last September 30.

The need to slash capacity to match the tough conditions facing the industry was reflected in a drop in overall business to DM 1.2bn last year from DM 1.4bn in 1982-83.

Dutch banks' offer to troubled shipyard

BY WALTER ELLIS IN AMSTERDAM

A GROUP of Dutch banks, led by ABN, is willing to provide Fl 20m (\$6.2m) in loans to the failing Rotterdam shipyard, Wilton-Fijenoord. The offer, which has been conveyed to the Ministry of Economic Affairs in The Hague, would depend on a state loan to the yard of some Fl 40m.

by an undertaking to look into other possible ways of preserving jobs at the threatened yard.

Schering performance unchanged

By Our New York Staff

SCHERING-Plough, the U.S. pharmaceutical multinational, yesterday reported net income from continuing operations of \$178.5m, which was virtually unchanged from the previous year.

The group says that the strong performance of its U.S. pharmaceutical business was offset by the impact of the high dollar exchange rate and a 4 percentage point rise in the company's effective tax rate.

Late turnaround fails to lift W. R. Grace

BY OUR NEW YORK STAFF

W. R. GRACE, the U.S. chemicals group, achieved a 7 per cent increase in fourth-quarter net earnings but still suffered a 50 per cent decline over the full year. The company said the sharp decline in full year earnings reflected a non-recurring gain in 1982 but was primarily due to the impact of depressed economic conditions on its natural resources and agricultural chemicals businesses.

Unocal earnings slip 22% for full year

BY OUR NEW YORK STAFF

UNOCAL, the California-based oil company, reported a 21 per cent drop in its fourth-quarter earnings to \$117.7m. For the full year net income is down 22 per cent to \$526m, or \$3.80 per share.

Strong gain logged by Borg-Warner

By Our New York Staff

BORG-WARNER, the U.S. chemicals, transport equipment and protective services group, increased its net earnings last year from \$187.4m, or \$1.95 a share, in 1982 to \$182.6m, or \$2.03. Sales rose from \$3.2bn to \$3.5bn.

Diamond sells properties worth \$160m

By Our Financial Staff

DIAMOND SHAMROCK, the Dallas-based oil and gas group, is selling off, for \$160m cash, producing and non-producing properties which it acquired as part of the purchase of Natomas in August last year.

Black & Decker restructuring aids recovery

By Our Financial Staff

BLACK & DECKER Manufacturing, the Maryland-based power tools manufacturer, virtually doubled its first quarter net profits from \$14.4m or 34 cents a share to \$28.7m, or 66 cents.

Alitalia forecasts unchanged result

BY ALAN FRIEDMAN IN MILAN

ALITALIA, the Italian state airline, recorded a 16 per cent increase in its 1983 turnover, to L2,440bn (\$1.4bn) and experienced a small rise in total traffic during the year.

Record year for Hutton

By Our New York Staff

E. F. HUTTON, the Wall Street securities house, reported record earnings last year of \$110.6m, or \$4.42 a share as revenue soared from \$1.8bn in 1982 to \$2.2bn.

French banks plan credit card link-up

BY DAVID MARSH IN PARIS

BANKS running France's two rival credit card organisations have agreed to work towards a joint network which could help speed up development of electronic payments systems throughout the country.

Crédit Agricole runs the Carte Verte along with another co-operative institution, Crédit Mutuel, with more than 7m cardholders for both banks, linked to the Eurocard organisation.

Crédit Agricole has insisted that it keeps its own identity in the proposed harmonised network. The eventual joint card - which will probably bear a mixture of green and blue motifs - is likely to carry an identifying logo of the issuing bank.

Amdahl growth eases at year-end

By Our New York Staff

AMDAHL, one of the most aggressive U.S. manufacturers of IBM-compatible mainframe computers, yesterday reported a further sharp improvement in year-over-quarter earnings - although the latest results represent a slight slowing in the strong earnings growth seen in the previous three quarters.

More lay-offs at Mattel

By Our Financial Staff

MATTEL, the U.S. toys and video games company, whose electronics business subsidiary lost more than \$200m last year, has made further lay-offs in the last two weeks, but will not say how many.

INTL. COMPANIES & FINANCE

**Daimler-Benz A.G.**

has sold substantially all of the assets of its subsidiary

**Euclid, Inc.**

to a subsidiary of

**Clark Equipment Company**

We acted as financial advisor to Daimler-Benz A.G. during the negotiations leading to the completion of this transaction.

**James D. Wolfensohn**  
Incorporated

January 16, 1984

**Jardine, Matheson & Co., Limited**

has sold through its subsidiary, Theo H. Davies & Co., Ltd., the assets of

**Theo Davies Hamakua Sugar Company**

to

**Hamakua Sugar Company, Inc.**

A company formed by Francis S. Morgan, formerly Group Vice President of Theo H. Davies & Co., Ltd.

We acted as financial advisor to Jardine, Matheson & Co., Limited during the negotiations leading to the completion of this transaction.

**James D. Wolfensohn**  
Incorporated

January 18, 1984

**Fine terms on \$500m loan for Indonesia**

By Chris Sherwell, South East Asia Correspondent

**BANKERS ARRANGING** a U.S.\$500m two-part foreign borrowing for Indonesia say that the proposed terms are "very realistic" and reflect the fact that the Jakarta government is a "confident manager" of its balance of payments position.

The eight-year loan, which Indonesia has been considering for some months, is understood to consist of a U.S.\$375m portion at 0.75 percentage points above the London inter-bank offered rate (Libor) and a U.S.\$125m portion set at 0.2 percentage points above U.S. prime rate.

It brings the country's total borrowing for the fiscal year to March close to the U.S.\$2.5bn limit set by the government, and may well be Indonesia's most important sovereign borrowing of 1984.

In choosing to go to the market now, the government is taking advantage of a turnaround in its balance of payments since introducing a tough but successful austerity policy at the beginning of last year.

This policy has involved the reduction of consumer subsidies, a depreciation of the rupiah by more than 30 per cent, and the re-phasing of capital intensive development projects to save foreign exchange.

The government has also introduced important credit and tax reforms. As a result the current account deficit for 1983/84 is projected to be around U.S.\$3bn, a big improvement on last year's U.S.\$7bn deficit.

Six months ago the government said it foresaw a need to borrow another U.S.\$800m before the end of March, and it is clear that the improved external position has given it the chance to strike a good deal with the foreign banks while the iron is hot.

The five lead managers for the U.S.\$500m loan are the Hong Kong-based merchant banking arms of Chase Manhattan, Morgan Guaranty, Lloyds Bank International, Bank of Tokyo, and Industrial Bank of Japan. The five hope to enlist the support and participation of 15 to 20 other banks in the loan.

Indonesia's last borrowing was for Y25bn (U.S.\$106.6m) worth of long-term loans from Mitsubishi Bank and Industrial Bank of Japan in November.

**Sony battered in 13½-hour AGM**

BY YOKO SHIBATA IN TOKYO

**SONY CORPORATION**, one of the world's leading electrical goods manufacturers, yesterday experienced one of the most unsettling of events for a major Japanese company—a revolt by its normally docile shareholders.

Hard hit by the recession in the audio industry and by the hammer blows delivered to it by the rise of the rival VHS system, the company had to face a 13½-hour ordeal in front of some 400 shareholders. With both net profits and group sales falling for the first time ever the company had a lot of explaining to do.

In the past shareholders' meetings in Japan have been kept brief and orderly by the presence of the Sokaiya, people who usually support enthusiastically the board's line on every item on the agenda. Yesterday the Sokaiya deserted the board and aggressive questions from some 20 to

30 shareholders stretched the meetings to cover four breaks for meals and tea and to set a new record for AGMs in Japan. The Sokaiya, it seemed, had switched sides from the company to the hard-pressed wholesalers, whose margins have been hit by lower demand for the Sony's Betamax video system.

Sony group sales in the year to October dropped by 0.3 per cent to Y1,110bn (\$4.73bn). Net profits fell sharply, by 35 per cent to Y29,8bn from Y45,5bn a year earlier.

In the past shareholders meetings have lasted only some 10 to 15 minutes, with the Sokaiya chanting "we agree" or "no question" in unison on all the items on the agenda. Following the passing of a new commercial code in October 1982, the role of the Sokaiya has been much circumscribed. Today there are about 900 of these still active—before the code amendments there were some

3,500 of them. In their foray into corporate meetings, the Sokaiya have attained a high level of business acumen in reading accounts, public speaking, and other useful areas. Under the guise of being business consultants, economic researchers, or journalists for business magazines they were able to solicit fees for their expenses in such roles as they took at meetings.

Under the new law they are unable to have any commercial link with companies. Any company giving money to a Sokaiya is liable to a fine up to a maximum of Y500,000 or a six-months prison sentence. The result of this, for Sony, has been to push the Sokaiya in the opposite direction—towards asking awkward questions and prolonging meetings.

One of the roots of the Sony problem with the Sokaiya has been the weakening of its position in the VCR market. Sales of its Betamax tapes, recorders,

and other equipment have fallen in the fierce competition with the Matsushita-developed VHS system. In the year to October its video sales fell by 3.8 per cent to Y4,577bn.

Although the majority of listed Japanese companies support the ending of the Sokaiya's influence over company meetings, there still exists an underlying fear of their power. As many as 41 per cent of companies surveyed by Daiwa Securities still aimed to make "accommodations" with them and company personnel were keen to observe how competitors handled AGMs after the changes to the commercial code. Tape recordings of meetings, such as that at Isuzu Motors—one of the first after the law changes—were passed around to educate executives.

Yesterday Sony was a victim of the tug-of-war with the Sokaiya—the record length of the meeting suggests that war with this group is not yet over.

**Asset sales lift GIC liquidity**

BY MARY FRINGS IN BAHRAIN

**GULF INVESTMENTS COMPANY**, a Kuwaiti-controlled offshore company registered in Bahrain, has liquidated some of its most valuable long-term assets in what Mr Richard Petterson, the general manager, describes as "dramatic steps to get out from the shadow of the Manakkh."

Following the collapse in 1982 of Kuwait's unofficial stock market, the Sui al Manakh GIC was left holding post-dated cheques with a face value of US\$200m, against which it made provisions of \$54.6m. Most of its other assets were long-term investments in prime pieces of overseas real estate, and the company faced a serious liquidity problem, although it succeeded in showing a profit of \$40m.

This problem has now been alleviated with the sale in the closing weeks of last year of the group's \$64m interest in New York's Park Avenue Plaza, and its 50 per cent interest in the \$120m Tower 49 development (a 44-storey office block under construction between Fifth and Madison Avenues).

The buyer is thought to have been GIC's partner in the two bypass, First Boston Corporation, and five properties in Paris. These include a building on Avenue Montaigne leased to Societe Generale, a rue France's second TV station, and another at the junction with Rue Francois Ier leased to Nina Ricci, a leading French fashion and perfume house.

A HIGH-LEVEL banking delegation from Bangladesh, led by Mr S. A. Kahir, the deputy governor of the country's central bank, will arrive in Bahrain on Saturday for talks with senior officials of the Finance Ministry, the Bahrain Monetary Agency (BMA), and locally-based banks and exchange houses.

Apart from exploring the possibilities of some form of Bangladeshi representation in the banking market, the delegation will discuss with members of the 6,000 to 7,000 strong Bangladeshi community in Bahrain the handling of their home remittances.

Valuable foreign exchange is being lost to the Bank of Bangladesh (the central bank) because of the system of private transfers known as "Hundi", through which expatriates can bypass the official banking channels.

**Sharp rise at Chiyoda Chemical**

**TOKYO**—Chiyoda Chemical Engineering and Construction, the international engineering company, lifted consolidated net earnings by 41.5 per cent to Y54,720m (\$148m) in the year to September from Y38,730m in 1982.

The company, which is involved in many overseas projects, posted profits before tax and extraordinary items of Y67,710m, up 184.4 per cent on Y23,140m in 1982. However, net earnings were 14.9 per cent higher at Y519,940m against Y453,760m. The leap in net earnings was the result of one of Chiyoda's subsidiaries retaining its dividend payments, an official of the company said. For the current year net earnings are forecast to decline.

Many of the company's major projects were completed during its fiscal 1983 and few orders remain for the current year. However, sales and net earnings are expected to be "at levels posted in usual years." The company forecasts net earnings of Y22bn for 1983-84 and profits before tax and extraordinary items of Y40bn. Sales are projected at Y320bn. AP-DJ

**Schröder, Münchmeyer, Hengst & Co.**

Frankfurt/Hamburg/Offenbach

- 100% owned by Lloyds Bank
- paid up capital DEM 100 million
- unchanged range of commercial and investment banking services

**General Management Team**

- Chief Executive  
Paul G. Brown
- General Managers  
John A. Holey  
Jochen Neynaber  
Christoph Graf von Hardenberg  
Adolf Kraus

**Chloride India maintains growth**

By P. C. Mahanti in Calcutta

**CHLORIDE INDIA**, an offshoot of Chloride of the UK, has managed to maintain its trend of earnings growth despite the serious recession in the road transport, tractor, and commercial vehicles sectors.

Sales for the year to August last totalled Rs 698.7m (\$75.5m) compared with Rs 673.8m in the previous year. Pre-tax profits rose by 14 per cent to Rs 125.6m and net profits were up 4.6 per cent to Rs 51.2m. Lower tax benefits due to a reduced level of capital spending in the year depressed the result. A dividend of 14 per cent has been declared.

The company attributes the rise in pre-tax income to earnings from expanded production at its Haldia plant, cost cutting, and lower lead prices, which reduced raw material costs at its battery plants.

An application to pursue a technology transfer agreement with Japan for its new battery factory in Uttar Pradesh has been stopped by India's Monopolies and Restrictive Practices Commission. The company has plans to expand into industrial batteries and items with higher value added. Research on low-price solar powered batteries is continuing.

**U.S. QUARTERLY RESULTS**

MAPCO	1983	1982	PPG INDUSTRIES	1983	1982	SUN BANKS	1983	1982
Fourth quarter	\$	\$	Fourth quarter	\$	\$	Fourth quarter	\$	\$
Revenue	546.6	540.7	Revenue	963.7	821.2	Revenue	—	—
Net profits	16n	19.7n	Net profits	67.5n	41.6n	Net profits	10.7n	9.2n
Net per share	0.54	0.71	Net per share	0.98	0.60	Net per share	0.76	0.61
Year			Year			Year		
Revenue	2,090n	1,996n	Revenue	3,72n	3,20n	Revenue	—	—
Net profits	58.5n	78.2n	Net profits	282.5n	193.1n	Net profits	46.3n	34.2n
Op. net per share	1.73	2.07	Op. net per share	3.34	2.25	Op. net per share	3.05	2.56
ML INDUSTRIES	1983	1982	FRICKHOFF CHEMICALS	1983	1982	TOLIEDO EDISON	1983	1982
Fourth quarter	\$	\$	Fourth quarter	\$	\$	Fourth quarter	\$	\$
Revenue	—	—	Revenue	179.3n	173.2n	Revenue	117.2n	118.4n
Net profits	1.5n	1.7n	Net profits	5.4n	2.8n	Net profits	30.3n	23.7n
Net per share	0.01	0.01	Net per share	0.69	0.30	Net per share	0.78	0.65
Year			Year			Year		
Revenue	1,230n	2,140n	Revenue	747.3n	786.5n	Revenue	504.8n	481.7n
Net profits	1107.4n	188.2n	Net profits	21.7n	4.6n	Net profits	123.3n	105.5n
Net per share	11.20	2.90	Net per share	2.74	0.25	Net per share	3.50	3.16
Loss			Loss			Loss		
OLIN	1983	1982	ST PAUL COMPANIES	1983	1982	TRANE	1983	1982
Fourth quarter	\$	\$	Fourth quarter	\$	\$	Fourth quarter	\$	\$
Revenue	484.5n	415.4n	Revenue	808.7n	553.5n	Revenue	264.5n	260.8n
Net profits	12.16n	13.51n	Net profits	15.9n	52.6n	Net profits	6.5n	2n
Net per share	0.51	10.14	Net per share	0.89	2.46	Net per share	0.37	0.20
Year			Year			Year		
Revenue	1,83n	1,82n	Revenue	2,22n	2,19n	Revenue	1,07n	85.7n
Net profits	71.72n	53.51n	Net profits	126.9n	196.7n	Net profits	32.8n	33.3n
Net per share	3.01	2.25	Net per share	6.03	8.28	Net per share	3.16	2.28
Loss			Loss			Loss		
PACCAR	1983	1982	SOUTHWEST AIR	1983	1982	U.S. HOME	1983	1982
Fourth quarter	\$	\$	Fourth quarter	\$	\$	Fourth quarter	\$	\$
Revenue	465.12n	290.22n	Revenue	125.0n	86.1n	Revenue	284.2n	226.5n
Net profits	20.18n	10.85n	Net profits	11.0n	9.43n	Net profits	1.77n	5.85n
Net per share	1.71	0.91	Net per share	0.57	0.54	Net per share	0.05	0.18
Year			Year			Year		
Revenue	1,411n	1,326n	Revenue	448.2n	331.2n	Revenue	1,150n	864.2n
Net profits	62.04n	37.22n	Net profits	40.67n	34.0n	Net profits	27.8n	10.1n
Net per share	2.21	2.86	Net per share	1.40	1.21	Net per share	0.80	0.31

This advertisement appears as a matter of record only.



**Kansallis-Osake-Pankki**

**U.S. \$100,000,000**

**Floating Rate Capital Notes 1992**

Manufacturers Hanover Limited

**IBJ International Limited**

**Merrill Lynch Capital Markets**

**Kansallis-Osake-Pankki**

**Banque Nationale de Paris**

**Credit Suisse First Boston Limited**

**Deutsche Bank Aktiengesellschaft**

**Lehman Brothers Kuhn Loeb International, Inc.**

**Mitsubishi Trust & Banking Corporation (Europe) S.A.**

**Samuel Montagu & Co. Limited**

**Morgan Guaranty Ltd**

**Morgan Stanley International**

**Svenska Handelsbanken Group**

**Swiss Bank Corporation International Limited**

January, 1984

Handwritten note: *Handwritten signature or text in a box.*



# The French take the leading role among foreign banks in Holland

By Walter Ellis in Amsterdam

AS PRESIDENT Francois Mitterrand arrives next Monday in The Hague to begin the first official visit in modern times by a French Head of State to The Netherlands, there is a statistic he may bear in mind: French banks now control more of the market finance of Holland than any of their foreign rivals.

The Bank of Tokyo, of Japan, is fast becoming a power in the land, and the expected takeover by Chase Manhattan, of the U.S., of the Nederlandse Credietbank (NCB) could give America the edge. But at the moment, the old-established Banque de Paris et des Pays Bas and Banque de Suez Nederland, together with the Credit Lyonnais Bank Nederland (formerly Slavenburg's) and branches of Banque Nationale de Paris and France's Societe Generale, comprise the largest foreign-owned banking network in the Netherlands.

Between them, the three French subsidiary banks have had a balance sheet total of Fl 18.2bn (\$3.7bn) in 1982, placing them, collectively, above the NCB (Fl 15bn). The Bank of Tokyo, by comparison, had a balance sheet total in 1982 of Fl 2.6bn, while Barclays in Amsterdam recorded Fl 152m.

Credit Lyonnais Bank Nederland has 78 branches, and Paribas has 30. Banque de Suez Nederland has only three, but each is large and strategically located.

All three point out that they are Dutch banks, acting autonomously within an international group. But each is conscious that the French connection is vital to their image and to the kind of work they perform. Their wider functions result largely from their ownership.

Paribas is the oldest of these three. It dates back over a century, and the fact that the French parent company controls the Dutch subsidiary at all follows from the piquancy of experience of the child displacing its parent. It was in 1883 that the Dutch Credit and Deposit Bank opened its doors in Amsterdam, with branches in Paris and Geneva. Everything went along unremarkably until, nine years later, the Paris branch merged with the Banque de Paris and, in a manner reminiscent of a coup, informed Amsterdam that

Amsterdam had become a branch office.

This situation at Paribas persisted for another 86 years, with each division growing in importance and national standing. Then in 1968, it was decided to make the Dutch end of the business independent. Paribas in Holland was itself again, except that 100 per cent of the shares were held by Paribas in Paris. Today, the management is wholly Dutch, and the only French influence inside the Netherlands is through the supervisory board in Paris.

The Banque de Suez Nederland was founded in 1959 as a subsidiary of the Banque de Suez et de l'Union des Mines, with the curiously French-sounding (though entirely Dutch) title of Rembourse-en-Industriebank. It did not adopt the current style until the merger in 1975 of the original mother company and the Banque de l'Indochine, to form under the style taken in 1982, Banque Indosuez.

In 1983, Banque Indosuez, together with most other French banks, including Paribas, was nationalised. But the Dutch offshoot remains an independent subsidiary, supervised by the Nederlandse Bank.

Credit Lyonnais Bank Nederland took its title last July, following the French bank's decision in 1981 to take a 78 per cent holding in Slavenburg's.

There then came, however, a police investigation into allegations of fraud within Slavenburg's. No sooner had M Georges Vigon arrived from Paris to take over the chairmanship of the 1981 acquisition, than Slavenburg's was involved in the biggest financial scandal for years in the Netherlands. A police raid on the Rotterdam headquarters of the bank last February was followed by the arresting of past and present managers which has advanced to 20 at the last count.

Today, the story of arrests has been played out—though the trials have yet to start.

M Vigon is now at the head of a re-named institution heavily supported, and 91 per cent owned, since last year, by Credit Lyonnais.

Mr Christian Hollander, chief general manager of Paribas in the Netherlands, is keen to point out the "Dutch" character of his bank, which, he

says, has traditionally taken an independent line in its financial dealings. However, he is aware of "the increasing necessity of working together in a global financial structure," and this means, most of the time, as a part of the Paribas group.

At Banque de Suez, the same point is made by Mr Klaas Rijpma, one of two general managers in Amsterdam: "Of course we benefit from a group presence round the world. Introductions are very important. But we still work on our own after the introductions have been made."

M Vigon, at Credit Lyonnais, does not demur from the attitudes expressed by his colleagues. "We are 91 per cent a Credit Lyonnais bank. But we are part of the Dutch banking community. We give the full range of services and are placed right in the middle of the market. Where Credit Lyonnais comes in is as part of the global picture."

"Even if we remain a Dutch bank, we have to fit in for strategic and financial reasons to the Credit Lyonnais programme. We will not be absorbed, but we will be a part of the group."

The reason Credit Lyonnais chose Slavenburg's in the first place was its heavy involvement with trade through the port of Rotterdam.

Mr Rijpma of Banque de Suez says that the basis of his bank's existence had been the provisions of services to French companies located in Holland.

Mr Hollander is clear about the Paribas role: "We focus on Dutch clients or Dutch-based clients, many of them French. We do not exclude a private clientele, but because of our limited domestic network we have a rather different private client profile—up-market—snobish. We don't pretend that we have re-invented the wheel. What we provide is short lines, rapid decisions, minimum bureaucracy and the resources of something bigger."

Credit Lyonnais is the one with the least-embellished merchant bank image. It is a universal bank with a steady income from business and trade. Paribas also provides retail services, but is fundamentally engaged in wholesale activities. Banque de Suez gives a limited, and exclusive, retail service, and is mostly wholesale.



Georges Vigon, head of Credit Lyonnais Nederland

No other foreign country can match the interest in Dutch banking shown by the French—not so far at least. The British to make a comparison offer mainly a branch of Barclays International, Midland and Lloyds representative offices and a 30 per cent holding by National Westminster in E. van Lanschot of 's-Hertogenbosch.

What is more, all three French subsidiaries in this intensely banked country are doing well. Mr Hollander expects Paribas to have increased pre-tax profits for 1983 by 25 per cent, and to see a substantial rise in net earnings over the 1982 total of Fl 3.7m. At Banque de Suez, Mr Rijpma is looking to a gross improvement of as much as 20 per cent, yielding a net result of perhaps Fl 4m. Credit Lyonnais, still recovering from the setbacks of 1981 and 1982, expects a 15 per cent development in its activities between now and the end of 1983.

M Vigon is sanguine about the prospect of no dividend for the next 10 years, while the bank sorts out its affairs. "We are not in a hurry for net profits," he says. "Everything is going back into reserves. But we are more than satisfied with our recovery. Confidence has returned, and our investors realise we must look at the intrinsic value of our operation and not at the immediate dividend."

# Husband's gift to absent wife not taxable

GUBAY v KINGTON (HM INSPECTOR OF TAXES)

House of Lords (Lord Fraser of Tullybelton, Lord Scarman, Lord Bridge of Harwich, Lord Brandon of Oakbrook and Lord Brightman): January 26 1984

A husband who is resident in the UK for tax purposes, but whose wife is non-resident, is not liable to capital gains tax on a gift to his wife if the couple, though geographically separated, are not separated in the normal sense of the word.

The House of Lords so held (Lord Scarman dissenting) when allowing an appeal by Mr Albert Gubay from a Court of Appeal decision that the Special Commissioners were right to uphold a capital gains tax assessment in respect of gifts of shares made by him to Mrs Gubay.

Paragraph 20(1) of Schedule 7 to the Income Tax Act 1965 provides: "If . . . in the case of . . . a married woman living with her husband, the man disposes of an asset to the wife as neither a gain nor a loss would accrue to the one making the disposal."

Section 45(3) of the same Act provides: "A married woman living with her husband should be construed in accordance with section 361(1)(2) of the Income Tax Act 1952."

Section 361 of the 1952 Act has been replaced in identical terms by section 42 of the Income and Corporation Taxes Act 1970 which provides: (1) A married woman shall be treated for income tax purposes as living with her husband unless either (a) they are separated under an order of court . . . or (b) they are in fact separated . . . (2) Where a married woman is living with her husband and either—(a) one of them is, and one of them is not, resident in the UK for a year of assessment . . . the same consequences shall follow . . . as would have followed if, throughout the year of assessment, they had in fact been separated . . . Provided that where this section applies and the net aggregate amount of income tax . . . is greater than it would have been but for the provisions of this subsection, the (Board) shall cause relief to be given . . . as will reduce the said net aggregate amount by the amount of the excess."

LORD FRASER said that both Mr Gubay and his wife were resident in the UK up to April 4 1972.

On that date Mrs Gubay ceased to be resident, and she was not resident at any time during the year of assessment April 1972 to April 5 1973. She was absent throughout that year. Mr Gubay continued to be resident until October 29 1972.

Between April 4 and October 29 1972 Mrs Gubay lived mainly

in the Isle of Man. Mr Gubay visited her frequently. At all relevant times they were living together in the ordinary sense of that expression.

Mr Gubay made a gift of shares to his wife on July 7 1972. His liability to capital gains tax on the shares depended on whether Mrs Gubay was, at the date of the gift, a "married woman living with her husband" within the meaning of the capital gains tax provisions in the Finance Act 1965.

A person was chargeable to capital gains tax in a year of assessment during "any part of which" he was "resident or ordinarily resident in the UK (section 20, 1965 Act).

Mr Gubay, having been resident in the UK for part of the year of assessment 1972-73 was, in principle, chargeable in respect of gains accruing during that year.

He would therefore be chargeable to capital gains tax on disposal of the shares, unless he could rely on the exemption in favour of disposals between spouses where the wife was a married woman living with her husband, under paragraph 20 of Schedule 7 to the 1965 Act.

Section 45(3) of the same Act provided that "a married woman living with her husband" should be construed in accordance with section 361(1)(2) of the Income Tax Act 1952. The question was whether, on July 7 1972, Mrs Gubay was a "married woman living with her husband."

Mr and Mrs Gubay did not come within subsection (1) of section 361 in that they were not separated by order of the court or by deed, and were not separated permanently or, in fact, at all.

The issue was whether subsection (2) of section 361 applied on the basis that Mr Gubay was, and Mrs Gubay was not, resident in the UK for the year of assessment 1972-73.

Parliament referred in section 45(3) of the 1965 Act not merely to section 361, but expressly to "section 361 (1) (2)". It must therefore have considered that guidance could be obtained from both subsections as to the construction of "married woman living with her husband." The omission of "and" between (1) and (2) was unusual, though, not unique. It was irrelevant for present purposes.

Subsection (2) dealt with cases which were the opposite of those dealt with in subsection (1), that was to say, with a case where a married woman was living with her husband. It provided

that in the specified circumstances "the same consequences shall follow for income tax purposes" as would have followed if they had been separated.

The practical effect of that provision seemed to be not very different from that of the provision in subsection (1) that, in specified circumstances the woman was to be "treated for income tax purposes" as separate from her husband.

Subject always to any effect the proviso to subsection (2) might have, the effect of the main part of subsection (2) was that Mrs Gubay was to be treated for income tax purposes, and therefore for capital gains tax purposes, as not living with her husband for the year 1972-73. The situation fell within subsection (2) (a).

The effect of the direction to construe the expression in accordance with section 361(1)(2) was that section 361 was to apply to capital gains tax as nearly as possible in the same way as it applied to income tax. That was the same as saying that wherever the section referred to income tax, it was to be read as referring also to capital gains tax.

If that were correct, then the whole of the section must apply including the proviso so far as it could be applied, and any benefit that would be conferred by the proviso for income tax purposes must also be conferred for capital gains tax purposes.

Where subsection (2) applied, with the consequence that a married couple were to be treated for tax purposes as separated, the result (apart from the proviso) might be advantageous to them for capital gains tax purposes in some respects, and disadvantageous in others.

The effect of the proviso was that where the subsection would operate to the disadvantage of the spouse by increasing the amount of income tax payable by them, relief was to be given to the husband or to the wife so as to cancel out the excess.

The effect of section 45(3) was that the same relief must be given where the subsection would operate to their disadvantage in respect of capital gains tax.

For those reasons the appeal should be allowed.

LORD BRIDGE, agreeing that the appeal should be allowed, said that married couples did not enjoy many fiscal advantages over those who lived together unmarried. The reverse was normally the case. But at least spouses could ordinarily make

gifts to each other without incurring liability to capital gains tax.

If the Revenue were right, the unfortunate Mr Gubay must feel that he had fallen into a trap for the unwary set by the extreme obscurity of the legislative provisions which fell to be applied.

The time-honoured principle was that the subject was not to be taxed except by clear words. If the Revenue were to make good their claim to capital gains tax they must show that section 42(2) [361(2)] clearly entitled them to do so.

The statutory language could arguably be read so as to lead to that result, but it could not possibly be said to do so clearly.

LORD BRANDON, also agreeing, said that where spouses were separated geographically for the whole or part of a year of assessment, they were not on account of geographical separation alone, to be liable to greater capital gains tax than if they had not been separated geographically.

LORD BRIGHTMAN, also agreeing, said that where spouses were separated geographically for income tax purposes, there was no logic in assuming that Parliament intended them to be prejudiced for capital gains tax purposes.

LORD SCARMAN, dissenting, said that the proviso in section 361(2) was no help in construing the capital gains tax legislation. It merely imposed a specific duty on the Revenue to give relief for income tax purposes against a consequence of treating a woman as separated from her husband under (a) or (b) of the subsection.

It offered no guidance as to the meaning of "a married woman living with her husband." It accepted without contradiction what the subsection said, namely that a woman who fell within (a) or (b) was to be treated as if she were separated from her husband save in one respect only. Accordingly, Mrs Gubay should not, for capital gains purposes, be treated as a married woman living with her husband.

For Mr Gubay: Stewart Bates QC and Robert Venables (Rooks, Rider and Co., agents for Scoucroft and Co., Douglas, Isle of Man).

For the Revenue: Andrew Morris QC and Robert Carmath (R. S. Boyd).

By Rachel Davies Barrister

NEW ISSUE

This announcement appears as a matter of record only. The Notes were offered and sold outside of the United States of America.

## U.S. \$50,000,000

### Sears Overseas Finance N.V.

(a wholly owned subsidiary of Sears, Roebuck and Co.)

11 3/4% Guaranteed Notes due January 31, 1989

Unconditionally Guaranteed by

## Sears, Roebuck and Co.

The issue price of the Notes is 99 1/2 per cent.

First Chicago Asia Merchant Bank Limited	Dean Witter Reynolds Overseas Ltd
Bangkok Bank Limited	Daiwa Securities Co. Ltd
United Overseas Bank Limited	Wardley
Algemene Bank Nederland N.V. Singapore Branch	Amro (Finance and Securities) Limited
Bank Bumiputra Malaysia Berhad	Banque Nationale de Paris (South East Asia) Limited
China Development Finance Company (Hong Kong) Limited	Credit Lyonnais (Singapore)
Dai-ichi Kangyo Finance (Hong Kong) Limited	IBJ Asia Limited
KEB (Asia) Finance Limited	LTCB Asia Limited
Malayan Banking Berhad	Morgan Grenfell (Asia) Limited
Morgan Guaranty Ltd	Singapore Nomura Merchant Banking Limited
Summa International Finance Co. Limited	

January 31, 1984

# The Morgan Bank

In London  
Morgan House, 1 Angel Court  
London EC2R 7AE, England

Alfred M. Vinton Jr.  
Senior Vice President and General Manager

Morgan Guaranty Trust Company of New York [The Morgan Bank] is the principal subsidiary of J. P. Morgan & Co. Incorporated and has assets in excess of \$55 billion

World headquarters: 23 Wall Street, New York, NY 10015

Banking offices, representative offices, subsidiaries, and affiliated companies around the world

### Condensed Statement of Condition

Dollars in millions

	At December 31	
	1983	1982
<b>Assets</b>		
Cash and due from banks . . . . .	\$ 4 649	\$ 4 356
Interest-bearing deposits with banks . . . . .	7 659	7 924
Investment securities (market value: \$6 070 in 1983 and \$5 707 in 1982) . . . . .	6 161	5 725
Net loans and lease financing . . . . .	31 529	30 432
Customers' acceptance liability . . . . .	1 837	3 898
Other assets . . . . .	3 848	4 443
<b>Total assets . . . . .</b>	<b>55 683</b>	<b>56 778</b>
<b>Liabilities</b>		
Total deposits . . . . .	39 473	39 808
Federal funds purchased and securities sold under agreements to repurchase . . . . .	5 822	6 270
Other liabilities for borrowed money . . . . .	3 544	1 823
Liability on acceptances . . . . .	1 837	3 902
Long-term debt . . . . .	401	407
Other liabilities . . . . .	1 700	2 114
<b>Stockholder's equity</b>		
Total stockholder's equity . . . . .	2 906	2 454
<b>Total liabilities and stockholder's equity . . . . .</b>	<b>55 683</b>	<b>56 778</b>
<b>Selected Income Data</b>		
Dollars in millions		
Twelve months ended December 31		
	1983	1982
Net interest earnings . . . . .	\$ 1 056	\$ 946
Net income . . . . .	420	362

Incorporated with limited liability in the State of New York, U.S.A.  
Member of Federal Reserve System and Federal Deposit Insurance Corporation





Companies and Markets

UK COMPANY NEWS

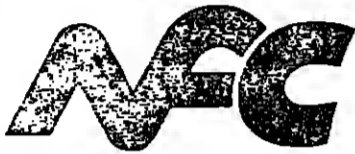
There can be no better foundation for the future of our unique partnership than its clear commercial success

SALIENT RESULTS

Table with 2 columns: Metric (Turnover, Operating profit, Profit retained in the business, Earnings per share, Dividends per share) and Values for 52 weeks to 1 October 1983 and 52 weeks to 31 October 1982.

Extracts from the Report by the Chairman, Sir Peter Thompson

- Overall, considerable financial progress was made... The most encouraging economic pointer was the revival of customers' readiness to enter into longer-term contracts... Our increase in turnover demonstrated that in 1982-3 the NFC grew in real terms for the first time ever...



National Freight Consortium p.l.c.

Copy of the Report and Accounts may be obtained from The National Freight Consortium p.l.c., The Meron Centre, 45 St. Paul Street, London EC4A 3LB.

Recovery foreseen as interim profits rise at Cowan de Groot

HIGHER PROFITS of £610,000 against £230,000 have been achieved by Cowan de Groot in the six months to October 31 1983. And, despite its seasonal nature of trading, the company expects to make a small profit in the second half.

Equipu boosts profit 81% to £364,000

HIGHER SALES volume and tighter controls on overheads have lifted pre-tax profits of Equipu by 81 per cent, from £201,000 to £364,000, in the six months ended October 31 1983.

Wistech places 5m shares on OTC market

Wistech, which provides specialist cleaning, maintenance and waste handling services, is placing 5m new shares of 1p at 7p per share on the over-the-counter market through licensed dealers in securities, the London Venture Capital Market.

John Brown losses fall: profits forecast for 1986

A REDUCED first half loss at John Brown will be followed by further reduction in towage in the second six months of the current year and a return to profits by 1986.

BOARD MEETINGS

Table listing board meetings for various companies including Associated Fisheries, Kallack Trust, M and G Trust, etc.

Central problem areas are identified as interest rate in excess of current or prospective earnings powers support and the inclusion of major UK businesses from which adequate returns on investment will not be achieved in an acceptable time frame.

All of these securities having been placed, this announcement appears for purposes of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D.C. U.S. \$ 200,000,000 11 3/8% U.S. Dollar Notes of 1984, due 1989

Table listing various international banks and their representative offices, including Deutsche Bank, Credit Suisse, and others.

Yearling bonds down The interest rate for this week's issue of local authority bonds is 9 1/2 per cent, down one-tenth of a percentage point from last week and compares with 11 1/2 per cent a year ago.

Advertisement for Mitsui Trust featuring the slogan 'Coming your way. From Tokyo, with trust.' and an image of a person in a hat. Text describes the opening of a representative office in Zurich.

Handwritten signature or note at the bottom of the page.

MINING NEWS

Argyle diamond output well ahead of target

BY GEORGE MILLING-STANLEY

PRODUCTION FIGURES for the three months to December 1983 indicate that the Argyle Diamond Mines joint venture in the Kimberley region of Western Australia has comfortably exceeded its planned output in the first year of operation.

This is equivalent to about half of current world output in volume terms, but will be of comparatively low value as the bulk of the material will be of the cheaper industrial grades.

The second stage involves the mining of the big AK1 kimberlite pipe. Construction work is expected to start soon, with the pipe coming into production early in 1984 at a cost of some \$457m (£306m).

Bluemel to clear path for return to dividends

By Terry Garrett

IN A capital reorganisation completing the final step towards recovery, Bluemel Bros is clearing its accumulated losses to make way for dividend payments when profits start to flow again.

Shareholders are being called to an extraordinary meeting on February 23 to consider a write-down of part of the issued capital from 25p shares to 10p shares. That will have the effect of dropping the issued capital from £1.25m to £609,595.

Benguet to reopen gold mine

A GOLD MINING property in the Philippines owned by La Soerte Gold Mines is to be brought back into production by Benguet Corporation, one of the country's biggest gold and copper producers.

Ore reserves are estimated at 3.67m tonnes, giving the operation a life of some 20 years at the proposed treatment rate of 500 tonnes a day.

Benguet already produces gold and silver at its own property in Aupang Benguet Province in northern Luzon.

IDS-Gartmore venture stays as competitor

The president of the American Express Company said yesterday that it will not dissolve the London-based joint venture of IDS Advisory-Gartmore International as the result of the recent formation of American Express Asset Management Holdings.

On January 12, American Express completed the acquisition of Investec Certified Services, which includes the IDS Advisory Group and its interest in the joint venture with Gartmore Investment Management.

Mr Bruce Lueck, president of IDS Advisory Group, said American Express has traditionally encouraged competition among its own subsidiaries.

MINING NEWS IN BRIEF

Canada's Denison Mines is to propose to shareholders at the annual meeting on February 17 a split of the company's capital into voting and participating "A" shares and non-voting and participating "B" shares.

These figures brought the full-year total for 1983 to 183,191 tonnes of copper, up from 170,004 tonnes, 18,002 kg of gold against 17,529 kg, and 47,414 kg of silver compared with 43,153 kg.

Prieska pays out at last

AFTER having been in production since October 1972, the Anglovaal group's Prieska copper-zinc mine in South Africa's north-west Cape is declaring a first dividend.

It is of an interim payment of 10 cents (5.7p) for the year to June 30 and it comes near to the end of the mine's life which was last forecast for the second half of 1985.

Brinco finances under strain

STILL losing money, the Canadian natural resource company, Brinco, in which Rio Tinto-Zinc has a beneficial interest, is 24 per cent, will not be going ahead with the redemption of 5 per cent of its outstanding Series "A" preferred shares due at the beginning of 1984.

BIDS AND DEALS IN BRIEF

Glywed Intl. Glywed International has acquired the whole of the issued capital of Longmore Brothers, a subsidiary of I.C.F. Holdings.

Based in Darlington, West Midlands, Longmore Brothers manufactures and processes bright drawn steel bars and steel tubes, and employs 106 people.

The balance sheet value of the assets exposed is £2.8m. London and Midland Industrial has purchased a further 275,000 ordinary shares in Bedford Concrete and now holds 6,852,700 ordinary (approximately 29.99 per cent).

Seafood Investments has sold its entire holding of 310,000 (15.9 per cent) ordinary shares in Atkins Brothers (Hosiery).

As a result of a further purchase of 42,000 ordinary shares on January 30, William Prym-Werke KG now holds 721,000 ordinary shares (7.1 per cent) in Aero-Nuclear Group, and approximately 14.99 per cent of total voting rights.

LEGAL NOTICE IMPORTANT NOTICE OF PENDENCY OF CLASS ACTIONS TO HOLDERS AND OWNERS OF DEVALUED RUSSIAN DOLLAR BONDS AND CERTIFICATES OF PARTICIPATION UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

IDC Group turns in £1.07m Although turnover of IDC Group improved slightly from £41.72m to £41.77m in the 12 months ended October 31 1983, pre-tax profit fell from £1.11m to £1.07m.

EQUIPU Office Equipment and Business Systems Interim Report 6 months to 31st October 1983 (unaudited) Year to 30th April 1983

New Issue This advertisement appears as a matter of record only. These bearer bonds have been sold outside the United States of America. January 31, 1984 Allied Chemical Overseas Finance N.V. Curaçao, Netherlands Antilles DM 125,000,000 7 1/2 % Bearer Bonds of 1984/1994

NEW ISSUE This announcement is under no circumstances to be construed as an offer to sell or as a solicitation of an offer to buy any of these securities. The offering is made only by Prospectus. CHRYSLER FINANCIAL CORPORATION \$300,000,000 Medium-Term Note Program

COMPANY NOTICES

BANQUE FRANCAISE DU COMMERCE EXTERIEUR INTERNATIONAL BONDS 9% DUE MARCH 15, 1984 OF \$US 20,000,000.00

We inform the bondholders that the March 15, 1984 redemption instalment of \$US 1,000,000.00 has been made by purchase on the market.

The following bonds previously called for redemption have not yet been presented for payment:

Nrs: 4.940 - 14.780 - 15.008 - 15.009 - 15.094 - 15.102 - 15.103 - 15.133 - 15.136 - 15.137 - 15.138 - 15.207 - 15.212 - 15.213

THE PRINCIPAL PAYING AGENT, SOCIETE GENERALE ALSACIENNE DE BANQUE

COMPANIA TELEFONICA NACIONAL DE ESPAÑA Floating Rate Note Issue 1980/1991 of US\$50,000,000

THE RATE OF INTEREST APPLICABLE for the three month period beginning January 31st 1984 and set by the reference agent is 10 1/2% annually.

CLUBS THE CASUALTY OF St. James's, London's most exciting business club...

REGIE NATIONALE des USINES RENAULT 7.25% 1972/1987 LOAN OF FF 200,000,000.00

We inform the bondholders that the March 15, 1984 redemption instalment of FF 20,000,000.00 has been made by purchase on the market.

THE PRINCIPAL PAYING AGENT, SOCIETE GENERALE ALSACIENNE DE BANQUE

INTERFRIGO Société Financière Internationale de Rapports S.A.

INTERNATIONAL BOND ISSUE OF 10,000,000 EURO CURRENCY UNITS

Notice to Bondholders Number of 10,000,000 bonds of a par value of 1,000 units each...

OLD COURT DOLLAR COMMODITY TRUST (CDT) The undersigned announces that the Report for the half-year ended 31st December 1983 of Old Court Dollar Commodity Trust will be available...

CLUBS EVE has notified the others because of 4 police officers at fair play and value for money...

UK COMPANY NEWS

Widney back in the black — capital reorganisation

AGAINST generally tight and difficult trading conditions, Widney, a maker and supplier of proprietary products to the electronic and transport industries, has returned to profitability for the first time in four years.

The company is also proposing a capital reorganisation, involving the cancellation of the share premium account and a reduction of its share capital.

plus property — in particular the Bagot Street site. The resolution of these problems however, has relieved the company of a substantial drain of resources.

But on individual life and individual pension contracts the reversionary bonus rates for 1983 are kept at the previous year's levels, but with substantial improvements in terminal bonus rates.

been achieved in reorganising and controlling more closely production to both factories and they expect to see the benefits flow through during the year, leading to further steady progress.

As a result of the reorganisation, accumulated losses for 1983 amounting to \$84,762 will be reduced by \$83,993, being the aggregate amount written off share capital and share premium account.

Cantors maintains progress at midway

Cantors, the household furniture retail group, has increased its pretax profit 50 per cent at the half-way stage.

The interest charge was down \$8,000 at \$76,000 and depreciation costs were also slightly lower at \$182,000 (\$185,000).

Board changes at Cable and Wireless

CABLE AND WIRELESS has made the following board changes: Mr Alan Wheatley, a senior partner in Price Waterhouse and a board member since 1981, has become non-executive deputy chairman.

Herring was formerly a director of W. E. Norrin (Machine Tools) and a director of Erturt Machinery.

BRITISH RAIL Western Region is to have a new chief operating manager. He is Mr Bob Poynter, who returns to Paddington after a spell at Southern Region.

Mr Thomas Weatherby has been appointed to the board of WHITECREST as a non-executive director.

Increased bonus rates from Standard Life

Standard Life Assurance Company, London, has announced that its reversionary bonus rates for 1983 are kept at the previous year's levels, but with substantial improvements in terminal bonus rates.

But on individual life and individual pension contracts the reversionary bonus rates for 1983 are kept at the previous year's levels, but with substantial improvements in terminal bonus rates.

Canada Life Assurance Company is making substantial increases to its reversionary rates, together with small adjustments in its reversionary rates.

Winding up orders against 106 companies

COMPULSORY winding-up orders against 106 companies were made by Mr Justice Mervyn Davies in the High Court. They were:

Associates, Peter Brown (Automobiles), Twydil Laundrette, A. G. Ainge Developments, Stegald.

Motors, Tensius, Wilkinson Stokes Contracts, Fletcher & Hine Scrap Metal, Fieldew.

Residential Property Overseas

MAJORCA PORT OF ANDRAXT We can now offer for sale luxurious 2- and 3-bedroom apartments at prices that start from £37,500

SWITZERLAND LAKE GENEVA and MOUNTAIN RESORTS — BUY DIRECT Apartments in MONTREUX on LAKE GENEVA. Also available in famous mountain resorts: VILLARS, VERVEY, LES DIABLETTES, LEysin, CHATELVAUX, TOREX near Gstaad.

Restaurants Food and Wine

VILLA DEI CESARI is Romance VILLA DEI CESARI is the Finest Cuisine VILLA DEI CESARI is Luxurious Splendour VILLA DEI CESARI is London's Finest Riverside Restaurant

Sip a cocktail on the terrace as the waters of the Thames flow lazily by. Dine by candlelight... Dance to live music till dawn with the famous Italian Quintet.

The millionaire. He got richer by stealth

Surrounded by wealth He got richer by stealth Some said he was mean On women he'd not spend A bean His love only was food Italian was his mood So every night he Master'd While the envies Cursed the little \*\*\*\*\*

Holiday & Travel Overseas

P&O-THE FAR EAST TRAVEL EXPERTS If you're travelling on business to a schedule-or pre-trip-together you'll find P&O has some highly adaptable and economical packages to South East Asia.

MALAGA 2, 5, 7, 9, 14 nights from £89 Also car hire available FLY AWAY TOURS 01-367 2036 ATOL 1600 ACCESS/BARCLAYCARD

HOTELS Malta's Hotel Cavalieri St. Juliana Bay, Malta.

Residential Property UK

AMERICAN EXECUTIVES Seek Luxury Furnished Flats or Houses up to £200 per week Usual loans required Phillips Kay & Lewis 01-839 2245 Telex: 27846 RESIDE G

BRISTOL AREA—Splendid Channel View, Terrace, Modern, 8 Beds, Double Garage, Workshop, Garden, etc. for sale. Completion. £272,340,000.

Marlyn Lodge The 'somewhere' for anyone who's 'something in the city'

Marlyn Lodge is a brand new complex of luxury 1 bedroom flats and studio apartments, perfectly located on the fringe of the city, within easy walking distance of the Tower of London and close to the Underground at Aldgate.

ANNOUNCING THE MOST EXCITING EVENT IN THE CITY OF LONDON SINCE THE OPENING OF THE BARBICAN CENTRE! WE HAVE NOW CREATED AN EQUISITE RESTAURANT COMPLEX NEAR THE BARBICAN Charterhouse Restaurant and Grill.

Memories of India Tandori Restaurant Quality food in pleasant surroundings 12 noon - 2.30 pm 5.30 pm - 11.30 pm 15 GLOUCESTER ROAD, LONDON SW7 Tel: 01-899 4450, 01-851 3734

THE FRONTPAGE RESTAURANT Cool and elegant specialising in the finest French cuisine THE BACKPAGE A relaxed and friendly brasserie. 12.00 - 3.00 pm 3.30 - 11.00 pm Reservation: 01-278 6800

MOTOR CARS

ALFA ROMEO LONDON SALES The natural choice for your Alfa. 01-450 8641 Edgware Rd. (N. Staples Corner), London NW2 6LX

FINANCIAL TIMES

Head Office: The Financial Times Limited, One Cannon Street, London EC4A 3DF. Telen: (Edinburgh) 084622, Telen (Amsterdam) 060033, Telex: Financial Times, London EC4A 3DF, Telex: Financial Times, London EC4A 3DF, Telex: Financial Times, London EC4A 3DF.

SECTION III - INTERNATIONAL MARKETS
FINANCIAL TIMES

Wednesday February 1 1984

New-issue activity brisk for Eurodollar bonds, Page 34

NEW YORK STOCK EXCHANGE 24-26
AMERICAN STOCK EXCHANGE 25-26
WORLD STOCK MARKETS 26
LONDON STOCK EXCHANGE 27-29
UNIT TRUSTS 30-31
COMMODITIES 32
CURRENCIES 33
INTERNATIONAL CAPITAL MARKETS 34

WALL STREET

Indicators instil note of calm

A DEPRESSED air continued to surround Wall Street yesterday although the pace of selling was considerably reduced, writes Terry Byland in New York. A modest rise of 0.6 per cent in the Commerce Department's index of leading economic indicators - following a small fall for November - calmed some of the market's nervousness over the slowdown in the economy.

the Treasury. There was activity in the money markets as accounts were squared ahead of what is expected to be a difficult trading period.

Meanwhile, markets were keenly aware of the meeting of the Fed's Open Market Committee, although no immediate change in credit policies was expected.

The Fed helped the market again with \$1.5bn in customer repurchase arrangements, when the Federal funds rate stood at 9 1/2 per cent. The day began with a round of losses among stock market leaders which in some cases recovered towards midsession.

IBM hovered around its overnight level, before edging up by 5/8 to \$114. Digital Equipment, however, shed 1 1/4 to \$86 1/2, and Texas Instruments at \$129 1/4 was 3/4 off.

A weak spot among the technology issues was National Semiconductor, \$1 down at \$14 1/4 in heavy turnover after reports of an impending indictment on charges of supplying substandard microchips to the U.S. military forces.

In the personal computer sector, Commodore International made a delayed start after reports of executive resignations and of postponement of its latest model. Later, Commodore traded 3/4 off at \$35 1/4, ahead of a board statement.

Texaco continued to figure in the active list, shedding 3/4 to \$39 1/4 as investors waited for the completion of the Getty purchase. Other oil stocks remained firm, helped by suggestions that the cold winter weather in the U.S. might provide a further spur to oil prices.

The prospects of higher crude oil prices took its toll, however, on some

stocks in the airlines, for whom oil prices are a major cost factor. Delta was 3/4 off at \$38 1/4 and Northwest Air was down 3/4 at \$43 1/4. But UAL (United) finished up 3/4 at \$36 1/4. AMR (American) remained unchanged at \$34 1/4.

Rail stocks too eased back as analysts weighed the effects on profits of the slower rate of U.S. economic growth. At \$49 1/4, Union Pacific lost 5/8 but Burlington Northern gained \$1 to \$94 1/4, more than 7 per cent off its 12-month high.

Motor issues, with results not due for some weeks, shaded lower. General Motors losing 1 1/4 to \$72 1/4 and Ford 5/8 down at \$41.

On the American Stock Exchange, energy issues had another busy session. Petro Lewis, still awaiting bid developments, shed 3/4 to \$8 1/4, while Dorchester Gas at \$21 1/4, gained 3/4.

In the credit market, most of the business was at the short end. Treasury bills steadied at the lower yields recorded at Monday's hill auction. Three-month bills traded at a 8.90 per cent discount and six-month at 8.98 per cent.

Federal bonds of duration similar to those likely to be sold in next month's round of funding traded at yields of 10.63 per cent on two-year issues, and 11.64 per cent on ten-year issues.

The key 30-year bond traded at 10 1/2 down 3/4 on overnight and yielding 11.75 per cent.

LONDON

Weak start reversed

EQUITIES displayed commendable resilience in London yesterday, staging a progressive recovery from early weakness, but this was insufficient to prevent a decline in the FT Industrial Ordinary index which closed 0.8 lower at 831.40.

Buyers appeared before and after the latest Confederation of British Industry economic survey. Engineerings led the late rally.

Gilt-edged securities lost Monday's brighter trend amid revived apprehensions over the U.S. bond market, where values turned sharply downward overnight on concern about the federal budget deficit and Treasury funding. British funds, however, eased only marginally and selected high-coupon longs closed above the session's lowest.

Details, Page 27; Share Information Service Pages 28-29

HONG KONG

THE EVIDENCE provided late on Monday of an upturn in Hong Kong's battered property market helped provide the Hang Seng index with a precarious foothold once more on the 1,100 plateau after six months, settling 4.75 up at 1,102.38.

Profits were also being taken in heavy two-way dealings ahead of the Chinese new year break from tomorrow as institutions strove for a safe equilibrium at which to leave their holdings.

Among the day's better gains were 27 cents for Overseas Trust Bank at HK\$3.77, 30 cents in Cheung Kong at HK\$13.50 and 15 cents by Hongkong Electric at HK\$6.50. But Bank of East Asia, out of favour, shed 40 cents at HK\$22.40.

SINGAPORE

PROFIT-TAKING continued to make itself felt amid Singapore buying support, and it was only a handful of gains by constituents of the Straits Times Industrial Index which allowed it a rise of 7.13 to a peak 1,071.01.

Supreme Corporation, volume leader for the second day, added 2 cents to S\$2.20, but Cerebos, also active, slid 15 cents to S\$2.81.

AUSTRALIA

RESOURCE issues returned to Sydney trading in somewhat better form after the Australia Day weekend, helped by higher metal values and interest in a progress report due from the Turtle One offshore well.

Western Mining, the leading partner, held steady in Sydney at A\$4.25 but caught up 4 cents in Melbourne to A\$4.28. But of the smaller stakeholders Home Energy dropped 15 cents to A\$1.50.

Industrials generally weakened, and among the hanks Westpac and ANZ each slipped 2 cents to A\$3.98 and A\$5.48 respectively.

SOUTH AFRICA

A RECOVERY in gold shares encouraged other sectors in Johannesburg as the bullion price remained above \$370.

Anglo-American Gold consolidated recent gains with a further R2.50 rise to R183.80, while Barlow Rand firmed 30 cents to R133.50 in a generally firmer industrial sector.

Losses for the day included AE & CI in chemicals, 5 cents weaker at R8.60, and Rembrandt, the tobacco group, 25 cents off at R22.50.

CANADA

SIGNIFICANT gains in Toronto gold shares did little to offset marked, but less dramatic, falls elsewhere in base metals and hydrocarbon-related issues.

The declines were more uniform in Montreal, with papers and utilities leading the retreat as industrials and hanks attempted an initially fruitless rally. This came amid reports of a 0.2 per cent fall in November gross domestic product to C\$120bn.

TOKYO

Week-long advance on the wane

LIGHT SELLING, prompted by an overnight Wall Street dip, hit blue chip stocks in Tokyo yesterday to drive prices lower for the first time in six sessions, writes Shigeo Nishitaki of Jiji Press.

The Nikkei-Dow market average shed 39.63 to 10,198.10 on volume of 373.02m shares, down from Monday's 295.10m. Falls outpaced advances 408 to 319, with 158 issues unchanged.

Blue chips had been in favour as investors expected non-residents to move into the market in force, encouraged by the intention of President Ronald Reagan to seek a second term. As it turned out, however, Wall Street suffered a setback, sending Sony and other international populars lower in Tokyo.

Sony plunged Y150 at one stage, but rebounded slightly later to close Y50 down at Y3,950. The issue had regained the Y4,000 level the previous day for the first time in 13 months. Other blue chips also lost strength in early trading, with Matsushita Electric Industrial falling Y40 to Y1,950 and Canon Y20 to Y1,570.

But in late transactions high-priced blue chips attracted buying orders; TDK climbed Y430 to Y7,070 and Kyocera Y50 to Y10,900.

In the absence of fresh incentives in the market, the selling of these issues reflected a move by investors to seek short-term profit by selecting stocks which tend to move sharply.

Among other populars were pharmaceutical makers, which had been out of favour because of concern that the companies would have to slash drug prices in the spring. Banyu Pharmaceutical scored a maximum allowable gain of Y109 to Y1,100 and Shinogi improved Y21 to Y750.

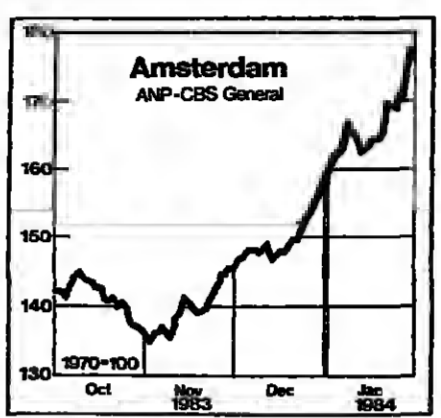
Nitsuko, a NEC-affiliated communications equipment maker, leaped Y330 to Y4,340 on an appreciation of its good business performance. Osaki Electric

registered a maximum allowable rise of Y80 to Y500.

However, large-capital steelmakers, electric power utilities gas companies and non-ferrous metal stocks lost ground.

Bond prices, which had remained virtually unchanged for weeks, declined initially on selling of Y10bn worth of long-term government bonds by an agricultural and forestry-related financial institution.

The yield on the barometer 7.5 per cent government bonds, due in January 1993, rose steeply to 7.44 per cent from the previous day's 7.415 per cent, but fell back later to close at 7.43 per cent.



EUROPE

Letdown leads to selling

DISAPPOINTMENT was evident on the European bourses yesterday that Wall Street stock investors had not accorded President Ronald Reagan's candidacy and last week's U.S. money supply contraction even a token cheer, and investors took this as an opportunity to reap some of the profits which had been accruing on paper during the record New Year run-up.

The background tone remained distinctly positive, though, and in each case a good crop of gains was to be found.

Another indication of underlying strength was a moderation in trading volume from the preceding sessions which had held many indices at peak levels.

The Amsterdam profit-takers turned their attention most to the banks, which were to the fore in Monday's advance. ABN at F1 439 had F1 6 of that day's F1 10 gain removed while Amro lost F1 1.40 of its F1 1.70 advance at F1 80.80.

Among those industrials to defy the trend was brewer Heineken with a F1 4.70 rise to F1 153.20, and the ANP-CBS general index settled 1.3 lower at its midsession calculation at 176.6. Domestic bonds eased.

Banks were also trimmed back in Frankfurt, with BHF at DM 302 relinquishing DM 2 of a DM 4 advance on Monday - ahead of announcing a one-for-seven rights issue at DM 190.

Electronics drew heat from a bullish outlook by Siemens, which put on DM 4 to DM 391.

A steady bond market amid a new state issue allowed the Bundesbank to sell DM 700,000 in paper. Most Milan quoted hanks continued strongly upward, however, on expectations of capital increases to follow that of Credito Italiano, which itself slipped L20 to L4,850 after rising L520 to L4,840. Banca Commerciale soared L2,480 to L39,480, Mediobanca L1,410 to L68,910 and Interbanca L105 to L21,995.

Olivetti featured dull industrials with a L135 rise to L4,311. Domestic bonds held firm.

A late Zurich rally was not enough to prevent a mixed to lower result. Nestlé shed SwFr 40 to SwFr 4,910 ahead of reporting a "satisfactory" 1983, while Sanod managed a SwFr 50 rise to SwFr 7,200 against the chemicals' trend. Bonds were mixed too.

A three-quarter point jump in Paris call money to 12 1/2 per cent was an additional depressant, and widespread losses included FFr 36 for Bouygues in constructions at FFr 782 and FFr 30 for Perrier at FFr 518.

Heavy Brussels dealings in Petrofina followed the oil concern's strong results and plan for a one-for-10 scrip; it reached the BFr 7,000 level with a BFr 100 rise. Movements elsewhere were muted.

A mixed to lower Stockholm showed Alfa-Laval off SKr 10 to SKr 295 but Astra up the same amount at SKr 580. Madrid was steady but sluggish.

Table with multiple sections: KEY MARKET MONITORS (line graphs for FT Actuaries All-Share Index, Dow Jones Industrial Average, FT Industrial Ordinary Index), STOCK MARKET INDICES (New York, London, Tokyo, Australia, Austria, Belgium, Canada, Denmark, France, West Germany, Hong Kong, Italy, Netherlands, Norway, Singapore, South Africa, Brazil, Sweden, Switzerland, World), CURRENCIES (U.S. Dollar, Sterling, Yen, Swiss Franc, DM, Lira, Sfr, CS), INTEREST RATES (Euro-currencies, U.S. Bonds), FINANCIAL FUTURES (Chicago, London), and COMMODITIES (Silver, Copper, Coffee, Oil).

WestLB Finance N.V. Curaçao, Netherlands Antilles. ECU 50,000,000 10% Bearer Bonds due 1991. Secured on a Deposit with the London Branch of WESTDEUTSCHE LANDESBANK GIROZENTRALE. List of participating banks including Westdeutsche Landesbank Girozentrale, Kreditsbank International Group, Chase Manhattan Capital Markets Group, etc.

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month		Stock	Div. Yld.	P/E	100s High	Low	Open	Close	12 Month	Stock	Div. Yld.	P/E	100s High	Low	Open	Close	12 Month	Stock	Div. Yld.	P/E	100s High	Low	Open	Close
High	Low	ABC	2.5	15	100	85	90	92	High	Low	Div. Yld.	P/E	100s High	Low	Open	Close	High	Low	Div. Yld.	P/E	100s High	Low	Open	Close
130	120	AB	3.0	12	85	75	80	82	130	120	2.0	18	95	80	90	92	130	120	3.5	10	110	95	100	98
140	130	AB	1.5	10	110	100	105	108	140	130	2.5	15	120	105	110	112	140	130	1.0	20	130	115	120	118
150	140	AB	4.0	8	90	80	85	87	150	140	3.0	12	100	85	90	92	150	140	4.5	7	110	95	100	98
160	150	AB	2.0	14	110	95	100	102	160	150	1.5	16	120	105	110	112	160	150	2.5	15	130	115	120	118
170	160	AB	1.0	18	130	115	120	122	170	160	3.0	12	140	125	130	132	170	160	4.0	9	150	135	140	138
180	170	AB	2.5	13	100	85	90	92	180	170	1.5	16	120	105	110	112	180	170	3.0	12	130	115	120	118
190	180	AB	3.5	11	95	80	85	87	190	180	2.0	14	110	95	100	102	190	180	4.5	7	120	105	110	108
200	190	AB	1.5	17	120	105	110	112	200	190	2.5	15	130	115	120	122	200	190	1.0	20	140	125	130	128
210	200	AB	4.0	8	100	85	90	92	210	200	3.0	12	110	95	100	102	210	200	4.5	7	120	105	110	108
220	210	AB	2.0	14	120	105	110	112	220	210	1.5	16	130	115	120	122	220	210	2.5	15	140	125	130	128
230	220	AB	1.0	18	140	125	130	132	230	220	3.0	12	150	135	140	142	230	220	4.0	9	160	145	150	148
240	230	AB	2.5	13	110	95	100	102	240	230	1.5	16	130	115	120	122	240	230	3.0	12	140	125	130	128
250	240	AB	3.5	11	100	85	90	92	250	240	2.0	14	110	95	100	102	250	240	4.5	7	120	105	110	108
260	250	AB	1.5	17	130	115	120	122	260	250	2.5	15	140	125	130	132	260	250	1.0	20	150	135	140	138
270	260	AB	4.0	8	110	95	100	102	270	260	3.0	12	120	105	110	112	270	260	4.5	7	130	115	120	118
280	270	AB	2.0	14	130	115	120	122	280	270	1.5	16	140	125	130	132	280	270	2.5	15	150	135	140	138
290	280	AB	1.0	18	150	135	140	142	290	280	3.0	12	160	145	150	152	290	280	4.0	9	170	155	160	158
300	290	AB	2.5	13	120	105	110	112	300	290	1.5	16	140	125	130	132	300	290	3.0	12	150	135	140	138
310	300	AB	3.5	11	110	95	100	102	310	300	2.0	14	120	105	110	112	310	300	4.5	7	130	115	120	118
320	310	AB	1.5	17	140	125	130	132	320	310	2.5	15	150	135	140	142	320	310	1.0	20	160	145	150	148
330	320	AB	4.0	8	120	105	110	112	330	320	3.0	12	130	115	120	122	330	320	4.5	7	140	125	130	128
340	330	AB	2.0	14	140	125	130	132	340	330	1.5	16	150	135	140	142	340	330	2.5	15	160	145	150	148
350	340	AB	1.0	18	160	145	150	152	350	340	3.0	12	170	155	160	162	350	340	4.0	9	180	165	170	168
360	350	AB	2.5	13	130	115	120	122	360	350	1.5	16	150	135	140	142	360	350	3.0	12	160	145	150	148
370	360	AB	3.5	11	120	105	110	112	370	360	2.0	14	130	115	120	122	370	360	4.5	7	140	125	130	128
380	370	AB	1.5	17	150	135	140	142	380	370	2.5	15	160	145	150	152	380	370	1.0	20	170	155	160	158
390	380	AB	4.0	8	130	115	120	122	390	380	3.0	12	140	125	130	132	390	380	4.5	7	150	135	140	138
400	390	AB	2.0	14	150	135	140	142	400	390	1.5	16	160	145	150	152	400	390	2.5	15	170	155	160	158

Continued on Page 25

Handwritten scribble at the bottom of the page.



كندا انجمن

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of American stock exchange closing prices, organized in columns with stock symbols, prices, and changes. Includes sub-sections for various market segments.

Continued on Page 26

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York Stock Exchange composite closing prices, organized in columns with stock symbols, prices, and changes. Includes sub-sections for various market segments.

Continued on Page 26

Notes and footnotes regarding the data, including a disclaimer: 'Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week...' and a dividend table with columns for stock symbols and dividend details.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Table of American stock exchange closing prices for various companies, including columns for stock name, price, and change.

NEW YORK CLOSING PRICES

Table of New York closing prices for various commodities and currencies, including columns for item name, price, and change.

CANADA

Table of Canadian stock market closing prices for various companies.

DENMARK

Table of Danish stock market closing prices for various companies.

NETHERLANDS

Table of Dutch stock market closing prices for various companies.

AUSTRALIA

Table of Australian stock market closing prices for various companies.

JAPAN (continued)

Table of Japanese stock market closing prices for various companies.

Yes: Moneywise - the software of the Financial Times

The Financial Times believes that financial modelling will play an increasing role in monitoring and decision-making for organisations of all sizes.

Simple

FT. MONEYWISE provides 'forms' on the screen to be filled in. Models are built by completing them. The program guides and helps every step of the way.

Speedy

FT. MONEYWISE calculates fast. Up to ten times faster than competitive systems.

State of the art

The technology of FT. MONEYWISE software matches that of the 16 bit personal computer hardware for which it was expressly written.

Safe

Budgeting, reporting, forecasting, cash flow, profit and loss analysis and all the other aspects of the financial modelling art, support the making of decisions.

Large advertisement for Moneywise software with the headline 'Is there a financial modelling package that is simple, speedy, state of the art and safe?' and a large graphic of a pair of glasses.

AUSTRIA

Table of Austrian stock market closing prices for various companies.

GERMANY

Table of German stock market closing prices for various companies.

SWEDEN

Table of Swedish stock market closing prices for various companies.

SPAIN

Table of Spanish stock market closing prices for various companies.

HONG KONG

Table of Hong Kong stock market closing prices for various companies.

JAPAN

Table of Japanese stock market closing prices for various companies.

INDICES

Table of various stock indices including New York Dow Jones, Standard and Poors, and others, with columns for date, index value, and change.

Advertisement for Moneywise Software Ltd. including contact information, a form for requesting a brochure, and exchange cross rates for various currencies.

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Encouraging CBI survey reverses early fall in equities

Index closes only 0.8 off at 831.4

Account Dealing Dates
\*First Declared Last Account
Dealings times Dealings Day
Jan 18 Jan 23 Jan 27 Feb 6
Jan 29 Feb 7 Feb 10 Feb 29
Feb 13 Feb 23 Feb 24 Mar 5

London equity markets displayed commendable resilience yesterday, staging a progressive recovery from early weakness. The opening session benefited from renewed concern over Wall Street's current refusal to match strides with other international markets, while the subsequent rally was largely a reflection of the CBI's most encouraging survey for some years.

night following renewed concern about the U.S. budget deficit and Treasury funding. British funds, however, eased February marginally and selected high-coupon bonds often close above the session's lowest.

FINANCIAL TIMES STOCK INDICES

Table with columns for Government Securities, Fixed Interest, Industrial Ord., Dated Mines, Ord. Div. Yield, Earnings, P/E ratio, Total Bargains, Equity turnover, Equity bargains, Shares traded, and Shares traded - m/l.

Table with columns for Highs and Lows and S.E. Activity, showing price changes for various sectors like Govt. Secs., Fixed Int., Ind. Ord., and Gold Mines.

featured with a rise of 10 to 125p following increased interim dividend, higher profits and an encouraging statement on the outlook. Buyers showed interest in Sketchley, which revised 13 to 433p. Applied Computer, still reflecting a recent analysts' visit to the company, advanced 15 further to 610p.

Buyers continued to show interest in selected television issues, but stock shortages exaggerated gains. LWT rose 4 to 212p, while the 100,000 shares of Tottenham Hotspur continued to trade at 151p.

trials, the Australian associate of Weeks Petroleum, edged up to 118p but retreated in close early a penny harder on balance at 116p. Leading UK oil opened on an easier note, rallied around midday but eased at 116p.

South African Golds posted gains for the fifth successive trading session. A generally good performance by precious metal markets preempted initial demand from London and Continental sources which took share prices higher at the outset.

Clearers dull
Relatively firm of late on demand ahead of the four companies' dividend season, the major clearing banks turned distinctly dull. Marked lower at the outset, prices continued to retreat on scattered small selling to close with falls ranging to 15p.

Insurances were notable for a strong recovery in Phoenix which, at 428p, retrieved Monday's fall of 15p. The rally accompanied suggestions that Allianz could still afford to bid for Phoenix even after buying the insurance business of U.S. steel and oil equipment maker, Armaco.

fresh institutional demand lifted Lucas 6 more for a two-day gain of 15 to 215p. Preflighting clipped a few pence from AE, at 88p, while the proposed capital reorganisation left Binemel 2 cheaper at 15p. Distributors featured fresh support of 12p to 125p.

Encouraged by the optimistic tone of the CBI's quarterly equity leading Engineers staged a notable revival after having been marked lower at the start. TI, down to 196p initially, soon moved up on the appearance of buyers to close 6p on balance at 206p, while GKN ended 5p to the good at 205p.

Traded Options edged on a surprisingly buoyant month on a bright note with 4,175 contracts struck. Loro were again active ahead of the preliminary results due early next month and recorded 969 calls, with 109 done in the February 120s, 5 up at 17.

Equity business overall fell short of recent standards with demand appreciating the closing of bear positions, but only hours earlier. During the nervous atmosphere of Monday's late trade, many market professionals sold short of stock seeing scope for a recovery in the price setback. Initially, these assumptions seemed to be well founded but the market's resilience later yesterday confounded and brought swift cover action.

Special situation issues and speculative counters were less prominent than recently. The company news list, although considerably shorter yesterday, still contained first-line stocks such as Reed International and S. and W. Berisford.

and suggestions of Government pressure on UK groups with defence contracts to reduce profit margins. GEC finally managed a gain of 2 to 184p, but Plessey remained a poor market and closed 5 cheaper at 117p. For a two-day fall of 19. Elsewhere, Michael Black advanced 7 to 54p on the share exchange offer from Higginson and Job; the latter closed unaltered at 220p, after 238p.

Special situations prompted some interesting movements among textiles. Allied, a rising stock after a 10p rise to 278p after 274p, after the results. Coats Patons continued to benefit from the recent re-rating and advanced 2 to a 193-3/4 peak of 494p. Other textiles, however, continued to shrug aside the lower interim profits and dividend and closed 3 to the good at 51p.

Traded Options edged on a surprisingly buoyant month on a bright note with 4,175 contracts struck. Loro were again active ahead of the preliminary results due early next month and recorded 969 calls, with 109 done in the February 120s, 5 up at 17.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Index No., Date, and various index values for different sectors like Building Materials, Contracting, Electronics, etc.

FIXED INTEREST

Table with columns for British Government, Local Govts, Medium, High, and Corporate bonds, showing yields and prices.

REED INT. LOWER

Reed International, a rising market lately, eased 8 to 422p on scattered offerings after announcement of the third-quarter figures. Other leading miscellaneous industrial shares rallied, close well above the worst.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Val., Last, and various option contracts for different companies and currencies.

Weeks surge ahead

Weeks Petroleum featured an active offer. Reports that a client of London brokers' Vickers da Costa - widely rumoured to be Australian entrepreneur Robert Heimes a Court, succumbed to sporadic taking and eased 7 to 181p.

MONDAY'S ACTIVE STOCKS

Table with columns for Stock, No. of Shares, Man. Change, and Day's Change for various active stocks.

EQUITIES

Table with columns for Stock, Price, and various equity listings.

FIXED INTEREST STOCKS

Table with columns for Stock, Price, and various fixed interest stock listings.

"RIGHTS" OFFERS

Table with columns for Stock, Price, and various rights offers.

OPTIONS

Table with columns for Stock, Price, and various options listings.

NEW HIGHS AND LOWS FOR 1983/84

Table with columns for Stock, Price, and various new highs and lows.

LONDON TRADED OPTIONS

Table with columns for Option, Price, and various London traded options.



# FT LONDON SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984	High	Low	Stock	Price	Yield	% Chg
1004	1004	1004	Equilibrium 1984	1004	13.81	9.28
1005	1005	1005	Equilibrium 1985	1005	13.81	9.28
1006	1006	1006	Equilibrium 1986	1006	13.81	9.28
1007	1007	1007	Equilibrium 1987	1007	13.81	9.28
1008	1008	1008	Equilibrium 1988	1008	13.81	9.28
1009	1009	1009	Equilibrium 1989	1009	13.81	9.28
1010	1010	1010	Equilibrium 1990	1010	13.81	9.28
1011	1011	1011	Equilibrium 1991	1011	13.81	9.28
1012	1012	1012	Equilibrium 1992	1012	13.81	9.28
1013	1013	1013	Equilibrium 1993	1013	13.81	9.28
1014	1014	1014	Equilibrium 1994	1014	13.81	9.28
1015	1015	1015	Equilibrium 1995	1015	13.81	9.28
1016	1016	1016	Equilibrium 1996	1016	13.81	9.28
1017	1017	1017	Equilibrium 1997	1017	13.81	9.28
1018	1018	1018	Equilibrium 1998	1018	13.81	9.28
1019	1019	1019	Equilibrium 1999	1019	13.81	9.28
1020	1020	1020	Equilibrium 2000	1020	13.81	9.28

Five to Fifteen Years

1984	High	Low	Stock	Price	Yield	% Chg
1021	1021	1021	Equilibrium 1984-1985	1021	13.81	9.28
1022	1022	1022	Equilibrium 1985-1986	1022	13.81	9.28
1023	1023	1023	Equilibrium 1986-1987	1023	13.81	9.28
1024	1024	1024	Equilibrium 1987-1988	1024	13.81	9.28
1025	1025	1025	Equilibrium 1988-1989	1025	13.81	9.28
1026	1026	1026	Equilibrium 1989-1990	1026	13.81	9.28
1027	1027	1027	Equilibrium 1990-1991	1027	13.81	9.28
1028	1028	1028	Equilibrium 1991-1992	1028	13.81	9.28
1029	1029	1029	Equilibrium 1992-1993	1029	13.81	9.28
1030	1030	1030	Equilibrium 1993-1994	1030	13.81	9.28
1031	1031	1031	Equilibrium 1994-1995	1031	13.81	9.28
1032	1032	1032	Equilibrium 1995-1996	1032	13.81	9.28
1033	1033	1033	Equilibrium 1996-1997	1033	13.81	9.28
1034	1034	1034	Equilibrium 1997-1998	1034	13.81	9.28
1035	1035	1035	Equilibrium 1998-1999	1035	13.81	9.28
1036	1036	1036	Equilibrium 1999-2000	1036	13.81	9.28

Over Fifteen Years

1984	High	Low	Stock	Price	Yield	% Chg
1037	1037	1037	Equilibrium 1984-1990	1037	13.81	9.28
1038	1038	1038	Equilibrium 1984-1991	1038	13.81	9.28
1039	1039	1039	Equilibrium 1984-1992	1039	13.81	9.28
1040	1040	1040	Equilibrium 1984-1993	1040	13.81	9.28
1041	1041	1041	Equilibrium 1984-1994	1041	13.81	9.28
1042	1042	1042	Equilibrium 1984-1995	1042	13.81	9.28
1043	1043	1043	Equilibrium 1984-1996	1043	13.81	9.28
1044	1044	1044	Equilibrium 1984-1997	1044	13.81	9.28
1045	1045	1045	Equilibrium 1984-1998	1045	13.81	9.28
1046	1046	1046	Equilibrium 1984-1999	1046	13.81	9.28
1047	1047	1047	Equilibrium 1984-2000	1047	13.81	9.28

Undated

1984	High	Low	Stock	Price	Yield	% Chg
1048	1048	1048	Equilibrium 1984	1048	13.81	9.28
1049	1049	1049	Equilibrium 1985	1049	13.81	9.28
1050	1050	1050	Equilibrium 1986	1050	13.81	9.28
1051	1051	1051	Equilibrium 1987	1051	13.81	9.28
1052	1052	1052	Equilibrium 1988	1052	13.81	9.28
1053	1053	1053	Equilibrium 1989	1053	13.81	9.28
1054	1054	1054	Equilibrium 1990	1054	13.81	9.28
1055	1055	1055	Equilibrium 1991	1055	13.81	9.28
1056	1056	1056	Equilibrium 1992	1056	13.81	9.28
1057	1057	1057	Equilibrium 1993	1057	13.81	9.28
1058	1058	1058	Equilibrium 1994	1058	13.81	9.28
1059	1059	1059	Equilibrium 1995	1059	13.81	9.28
1060	1060	1060	Equilibrium 1996	1060	13.81	9.28
1061	1061	1061	Equilibrium 1997	1061	13.81	9.28
1062	1062	1062	Equilibrium 1998	1062	13.81	9.28
1063	1063	1063	Equilibrium 1999	1063	13.81	9.28
1064	1064	1064	Equilibrium 2000	1064	13.81	9.28

Index-Linked

1984	High	Low	Stock	Price	Yield	% Chg
1065	1065	1065	Equilibrium 1984	1065	13.81	9.28
1066	1066	1066	Equilibrium 1985	1066	13.81	9.28
1067	1067	1067	Equilibrium 1986	1067	13.81	9.28
1068	1068	1068	Equilibrium 1987	1068	13.81	9.28
1069	1069	1069	Equilibrium 1988	1069	13.81	9.28
1070	1070	1070	Equilibrium 1989	1070	13.81	9.28
1071	1071	1071	Equilibrium 1990	1071	13.81	9.28
1072	1072	1072	Equilibrium 1991	1072	13.81	9.28
1073	1073	1073	Equilibrium 1992	1073	13.81	9.28
1074	1074	1074	Equilibrium 1993	1074	13.81	9.28
1075	1075	1075	Equilibrium 1994	1075	13.81	9.28
1076	1076	1076	Equilibrium 1995	1076	13.81	9.28
1077	1077	1077	Equilibrium 1996	1077	13.81	9.28
1078	1078	1078	Equilibrium 1997	1078	13.81	9.28
1079	1079	1079	Equilibrium 1998	1079	13.81	9.28
1080	1080	1080	Equilibrium 1999	1080	13.81	9.28
1081	1081	1081	Equilibrium 2000	1081	13.81	9.28

Prospective real redemption rate of projected inflation of (1) 10% and (2) 7%

## AMERICANS

1984	High	Low	Stock	Price	Yield	% Chg
1082	1082	1082	Equilibrium 1984	1082	13.81	9.28
1083	1083	1083	Equilibrium 1985	1083	13.81	9.28
1084	1084	1084	Equilibrium 1986	1084	13.81	9.28
1085	1085	1085	Equilibrium 1987	1085	13.81	9.28
1086	1086	1086	Equilibrium 1988	1086	13.81	9.28
1087	1087	1087	Equilibrium 1989	1087	13.81	9.28
1088	1088	1088	Equilibrium 1990	1088	13.81	9.28
1089	1089	1089	Equilibrium 1991	1089	13.81	9.28
1090	1090	1090	Equilibrium 1992	1090	13.81	9.28
1091	1091	1091	Equilibrium 1993	1091	13.81	9.28
1092	1092	1092	Equilibrium 1994	1092	13.81	9.28
1093	1093	1093	Equilibrium 1995	1093	13.81	9.28
1094	1094	1094	Equilibrium 1996	1094	13.81	9.28
1095	1095	1095	Equilibrium 1997	1095	13.81	9.28
1096	1096	1096	Equilibrium 1998	1096	13.81	9.28
1097	1097	1097	Equilibrium 1999	1097	13.81	9.28
1098	1098	1098	Equilibrium 2000	1098	13.81	9.28

## CANADIANS

1984	High	Low	Stock	Price	Yield	% Chg
1099	1099	1099	Equilibrium 1984	1099	13.81	9.28
1100	1100	1100	Equilibrium 1985	1100	13.81	9.28
1101	1101	1101	Equilibrium 1986	1101	13.81	9.28
1102	1102	1102	Equilibrium 1987	1102	13.81	9.28
1103	1103	1103	Equilibrium 1988	1103	13.81	9.28
1104	1104	1104	Equilibrium 1989	1104	13.81	9.28
1105	1105	1105	Equilibrium 1990	1105	13.81	9.28
1106	1106	1106	Equilibrium 1991	1106	13.81	9.28
1107	1107	1107	Equilibrium 1992	1107	13.81	9.28
1108	1108	1108	Equilibrium 1993	1108	13.81	9.28
1109	1109	1109	Equilibrium 1994	1109	13.81	9.28
1110	1110	1110	Equilibrium 1995	1110	13.81	9.28
1111	1111	1111	Equilibrium 1996	1111	13.81	9.28
1112	1112	1112	Equilibrium 1997	1112	13.81	9.28
1113	1113	1113	Equilibrium 1998	1113	13.81	9.28
1114	1114	1114	Equilibrium 1999	1114	13.81	9.28
1115	1115	1115	Equilibrium 2000	1115	13.81	9.28

## BANKS, H.P. AND LEASING

1984	High	Low	Stock	Price	Yield	% Chg
1116	1116	1116	Equilibrium 1984	1116	13.81	9.28
1117	1117	1117	Equilibrium 1985	1117	13.81	9.28
1118	1118	1118	Equilibrium 1986	1118	13.81	9.28
1119	1119	1119	Equilibrium 1987	1119	13.81	9.28
1120	1120	1120	Equilibrium 1988	1120	13.81	9.28
1121	1121	1121	Equilibrium 1989	1121	13.81	9.28
1122	1122	1122	Equilibrium 1990	1122	13.81	9.28
1123	1123	1123	Equilibrium 1991	1123	13.81	9.28
1124	1124	1124	Equilibrium 1992	1124	13.81	9.28
1125	1125	1125	Equilibrium 1993	1125	13.81	9.28
1126	1126	1126	Equilibrium 1994	1126	13.81	9.28
1127	1127	1127	Equilibrium 1995	1127	13.81	9.28
1128	1128	1128	Equilibrium 1996	1128	13.81	9.28
1129	1129	1129	Equilibrium 1997	1129	13.81	9.28
1130	1130	1130	Equilibrium 1998	1130	13.81	9.28
1131	1131	1131	Equilibrium 1999	1131	13.81	9.28
1132	1132	1132	Equilibrium 2000	1132	13.81	9.28

## BUILDING INDUSTRY, TIMBER AND ROADS

1984	High	Low	Stock	Price	Yield	% Chg
1133	1133	1133	Equilibrium 1984	1133	13.81	9.28
1134	1134	1134	Equilibrium 1985	1134	13.81	9.28
1135	1135	1135	Equilibrium 1986	1135	13.81	9.28
1136	1136	1136	Equilibrium 1987	1136	13.81	9.28
1137	1137	11				

سكز اصت الامل

INDUSTRIALS—Continued

Table of industrial stocks including companies like ICI, BP, and Shell, with columns for stock price, dividends, and other financial metrics.

LEISURE—Continued

Table of leisure stocks including companies like B&W, GKN, and JCB, with columns for stock price, dividends, and other financial metrics.

PROPERTY—Continued

Table of property stocks including companies like British Land, GVA, and Granada, with columns for stock price, dividends, and other financial metrics.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like F&C, F&C, and F&C, with columns for stock price, dividends, and other financial metrics.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like BP, Shell, and Esso, with columns for stock price, dividends, and other financial metrics.

International Financial DAIWA SECURITIES logo and header.

MINES—continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, dividends, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like BSA, Honda, and Kawasaki, with columns for stock price, dividends, and other financial metrics.

Commercial Vehicles

Table of commercial vehicle stocks including companies like Leyland, Daimler, and Iveco, with columns for stock price, dividends, and other financial metrics.

Components

Table of component stocks including companies like Lucas, Bosch, and Delco, with columns for stock price, dividends, and other financial metrics.

Garages and Distributors

Table of garage and distributor stocks including companies like Halfords, Halfords, and Halfords, with columns for stock price, dividends, and other financial metrics.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International, News International, and News International, with columns for stock price, dividends, and other financial metrics.

PAPER, PRINTING

Table of paper and printing stocks including companies like Newsprint, Newsprint, and Newsprint, with columns for stock price, dividends, and other financial metrics.

ADVERTISING

Table of advertising stocks including companies like British Sky Broadcasting, British Sky Broadcasting, and British Sky Broadcasting, with columns for stock price, dividends, and other financial metrics.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Clarks, Clarks, and Clarks, with columns for stock price, dividends, and other financial metrics.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

TEXTILES

Table of textile stocks including companies like J. H. Rayner, J. H. Rayner, and J. H. Rayner, with columns for stock price, dividends, and other financial metrics.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco, British American Tobacco, and British American Tobacco, with columns for stock price, dividends, and other financial metrics.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Land, British Land, and British Land, with columns for stock price, dividends, and other financial metrics.

PROPERTY

Table of property stocks including companies like British Land, British Land, and British Land, with columns for stock price, dividends, and other financial metrics.

INSURANCE

Table of insurance stocks including companies like British American Insurance, British American Insurance, and British American Insurance, with columns for stock price, dividends, and other financial metrics.

LEISURE

Table of leisure stocks including companies like B&W, GKN, and JCB, with columns for stock price, dividends, and other financial metrics.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

PLANTATIONS

Table of plantation stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Teas

Table of tea stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

MINES

Table of mining stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Central Rand

Table of central rand stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Eastern Rand

Table of eastern rand stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Far West Rand

Table of far west rand stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

O.F.S.

Table of O.F.S. stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Oil and Gas

Table of oil and gas stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Diamond and Platinum

Table of diamond and platinum stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Central African

Table of central African stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Miscellaneous

Table of miscellaneous stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

OPTIONS

Table of options stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

Central African

Table of central African stocks including companies like Anglo American, Anglo American, and Anglo American, with columns for stock price, dividends, and other financial metrics.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Allport Unit Trust, and others, with columns for name, manager, and performance metrics.

Table listing unit trusts under the heading 'Braniff Sp of Unit Trusts Ltd (a) (g)', including various equity and income funds.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts providing detailed information including fund names, managers, and performance data.

Table listing unit trusts under the heading 'Lloyds Life Unit Trusts', including various life and investment funds.

Table listing unit trusts under the heading 'Saver & Prosper Group', including various savings and investment funds.

INSURANCES

Table listing various insurance companies and their financial performance, including Abbey Life, Allstate, and others.

Insurances—continued

Continuation of the insurance table, listing companies like Allstate and others.

Continental Life Assurance Co

Table listing Continental Life Assurance Co products and financial data.

General Portfolio Life Insurance Co

Table listing General Portfolio Life Insurance Co products and financial data.

Guardian Royal Exchange

Table listing Guardian Royal Exchange products and financial data.

Life Assurance Co Ltd

Table listing Life Assurance Co Ltd products and financial data.

Managers

Table listing various fund managers and their performance.

Managers (R.O.C.) Fund

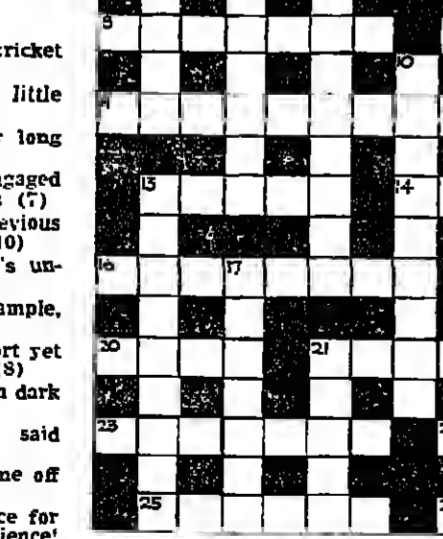
Table listing Managers (R.O.C.) Fund products and financial data.

Managers (R.O.C.) Fund

Table listing Managers (R.O.C.) Fund products and financial data.

F.T. CROSSWORD PUZZLE No. 5,331

- List of crossword puzzle clues including 'Note on circular: cricket played here (8)', 'Badly rusted yet a little cleaner (7)', etc.



7 Advise newcomer to improve (9)

10 Not protected by insurance, it's revealed (9)

13 Shelter when in the cargo space gets a description of the property (8)

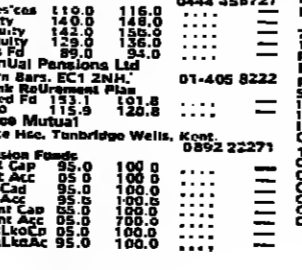
17 Cause of many cuts in the theatre (7)

19 Fruity Virginia turned up with the bouncer in glasses! (7)

21 Get about in hall (5)

22 Doris is heartless after the losses (5)

Solution to Puzzle No. 5,330



Offshore & Overseas—continued

Table listing offshore and overseas investment funds and their performance.

Managers

Table listing various fund managers and their performance.

Managers

Table listing various fund managers and their performance.

Managers

Table listing various fund managers and their performance.

Money Market Trust Funds

Table listing money market trust funds and their performance.

Money Market Bank Accounts

Table listing money market bank accounts and their performance.

INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance and managed funds, including Black Horse Life Ass. Co. Ltd., British National Life Assurance Co. Ltd., and others, with columns for fund names and values.

Table listing insurance companies and their managed funds, including Lloyds Life Assurance Co. Ltd., Prudential Assurance Co. Ltd., and others, with columns for fund names and values.

Table listing overseas managed funds, including Bank of America International S.A., Standard Life Assurance Company, and others, with columns for fund names and values.

Table listing additional overseas managed funds, including Hambro Pacific Fund Mgmt. Ltd., Richland Life Ass. Ltd., and others, with columns for fund names and values.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including Adig Investment, Albany Fund Management Limited, and others, with columns for fund names and values.

NOTES: Please see page 10 for details regarding the calculation of the fund's value and the effect of the fund's investment policy.

COMMODITIES AND AGRICULTURE

Cocoa prices hit by heavy selling

COCOA PRICES plunged on the London futures market yesterday as a combination of fundamental and technical factors prompted a speculative sell-off.

Costa Rica coffee alarm

A NATIONAL emergency has been declared in Costa Rica to fight the coffee fungus disease called roya, or coffee rust.

EEC trade practices attacked as 'unfair'

BRITAIN'S best-known turkey producer yesterday attacked unfair trade practices indulged in by some EEC countries and criticised the EEC itself for failing to stop them.

Covent Garden looks to a booming future

Barbara Dalzell reports on how the market has developed since its move to Nine Elms

Montreal to launch lumber futures

The Montreal Exchange, seeking to broaden its business base, is to start trading a lumber futures contract in May.

PRICE CHANGES

Table with columns for commodity names and price changes. Includes items like Tin, Zinc, Lead, and various oils.

BRITISH COMMODITY PRICES

Table showing British commodity prices for various metals and agricultural products.

AMERICAN MARKETS

Table showing American market prices for commodities like Aluminum, Copper, and Silver.

WEEKLY METALS

Table showing weekly metal prices for various commodities.

LONDON OIL

The market opened \$1.00 down on February and after testing the morning's lows attracted buying interest.

CRUDE OIL FUTURES

Table showing crude oil futures prices and changes.

SPOT PRICES

Table showing spot prices for various commodities.

GAS OIL FUTURES

Table showing gas oil futures prices and changes.

GOLD MARKETS

Gold rose \$3 1/2 to \$373.37 on the London bullion market yesterday.

LEAD

Table showing lead prices and changes.

LONDON FUTURES

Table showing London futures prices for various commodities.

SILVER

Table showing silver prices and changes.

ALUMINIUM

Table showing aluminium prices and changes.

ZINC

Table showing zinc prices and changes.

FINANCIAL TIMES

Table showing financial times data.

REUTERS

Table showing Reuters data.

MOODY'S

Table showing Moody's data.

DOV JONES

Table showing Dov Jones data.

WOOL FUTURES

Table showing wool futures prices.

CRUDE OIL (LIGHT)

Table showing crude oil (light) prices.

CHICAGO

Table showing Chicago market data.

LIVE CATTLE

Table showing live cattle prices.

LIVE HOGS

Table showing live hogs prices.

MAIZE

Table showing maize prices.

PORK BELLIES

Table showing pork bellies prices.

SOYBEANS

Table showing soybeans prices.

EUROPEAN MARKETS

ROTTERDAM, January 31. Three yellow Feb 193 50, March 152.

NICKEL

Nickel - Morning: Three months \$2,410, 6, 10, 15, 20.

COFFEE

During a quiet morning London traded lower in high volume.

SOYABEAN MEAL

The market opened \$1 higher in this trade.



CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firmer in quiet trading

The dollar improved in currency markets yesterday in rather quiet trading. A 0.6 per cent rise in U.S. leading economic indicators after a revised 0.2 per cent fall in November was much in line with market expectations.

Index 81.5 compared with 81.4 at noon and 81.9 in the morning, 81.9 on Monday and 85.4 six months ago.

Starting opened at \$1.4055-84.095 against the dollar and touched a high of \$1.4075 in the morning before slipping back during the afternoon.

WEAKER TONE

Interest rate contracts finished on a weak note on the London International Financial Futures Exchange yesterday.

WEAKER TONE

In the index of leading indicators, compared with a revised November fall of 0.2 per cent, against an earlier decline of 0.4 per cent.

March gilts opened at 109-01, and rose to a high point of 109-05, but then weakened in line with Eurodollar's on events in the U.S.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, ECU amount, % change from previous day, % change from previous month, Divergence from ECU.

£ in New York (latest)

Table with columns: Spot, 1 month, 3 months, 6 months, 12 months.

LONDON

Table with columns: Instrument, Close, High, Low, Prev, Change.

CHICAGO

Table with columns: Instrument, Close, High, Low, Prev, Change.

THE POUND SPOT AND FORWARD

Table with columns: Jan 31, Day's spread, Close, One month, % p.a., Three months, % p.a.

THE DOLLAR SPOT AND FORWARD

Table with columns: Jan 31, Day's spread, Close, One month, % p.a., Three months, % p.a.

OTHER CURRENCIES

Table with columns: Country, Jan 31, £, \$, Note Rates.

CURRENCY RATES

Table with columns: Country, Jan 31, Bank rate, Special rate, % Rights, % Changes.

CURRENCY MOVEMENTS

Table with columns: Country, Jan 31, Bank of England, Morgan Guaranty, % Changes.

EXCHANGE CROSS RATES

Table with columns: Jan 31, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canada Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Jan 31, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-mark, French Franc, Italian Lira, Japanese Yen, Danish Krone.

MONEY MARKETS

UK rates show little change

Interest rates showed little overall change in the London money market yesterday. Three-month inter-bank money was quoted at 8 1/2-9 1/4 per cent.

There was further help in the morning of £170m and this comprised purchases of £2m of eligible bank bills in band 1 (top 14 days) at 9 1/2 per cent.

In the afternoon the Bank gave additional help of £25m, comprising purchases of £27m of eligible bank bills in band 2 at 9 per cent.

quoted at 5.05-5.55 per cent. Banks managed to complete their end of month requirements by drawing funds through the Lombard facility.

MONEY RATES

Table with columns: Jan 31, Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, Dublin.

LONDON MONEY RATES

Table with columns: Jan 31, Sterling, Interbank, Local Authority deposits, Company deposits, Market deposits, Treasury bills, Treasury bills, Eligible Bank, Eligible Bank, Fine Trade.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING, 11:00 a.m. January 31, 3 months U.S. dollars, 6 months U.S. dollars, 12 months U.S. dollars.

MONEY RATES

Table with columns: NEW YORK (Lunchtime), Prime rate, Broker's rate, Fed funds rate, Treasury Bills, Treasury Bills, Treasury Bonds.

Understand Commodities! The five-day way to learn the Futures Markets! THE CEI Commodity Brokers' School's intensive five-day programme is designed for junior staff...

We're moving... As of 1 February, the Philadelphia Stock Exchange Fidelity Bank House will be permanently located at: Philadelphia Stock Exchange Fidelity Bank House 60-63 Aldermanbury London EC2V 7JT

CLASSIFIED ADVERTISEMENT RATES Per line Minimum 3 lines Maximum 10 lines. Commercial and Industrial Property, Residential Property, Appointments, Business, Investment Opportunities, Business for Sale/Wanted, Personal, Motor Cars, Hotels and Travel, Contracts and Tenders, Book Publishers.

FT FINANCIAL TIMES CONFERENCES The Euromarkets in 1984 London: 6 & 7 March, 1984. The annual Financial Times Euromarkets conference will take place at the Inter-Continental Hotel, London on March 6 & 7, 1984. The two days will be chaired by Dr Michael von Clemm and Mr John Forsyth. Speakers will include: Mr Peter Engstroem, Mr Philippe Marchat, Professor The Honourable Owen Horwood, Mr Richard K Goeltz, Mr E C Macadam, Mr Michael Coles, Dr Axel Kollar, Mr M Kurokawa. A Financial Times International Conference in association with The Banker and Investors Chronicle.

This announcement appears as a matter of record only



Lit. 50.000.000.000

MEDIUM TERM FLOATING RATE LOAN FOR RESEARCH AND DEVELOPMENT OF ENERGY SOURCES

PROVIDED BY

CENTROBANCA BANCA CENTRALE DI CREDITO POPOLARE S.p.A.

ICCRI ISTITUTO DI CREDITO DELLE CASSE DI RISPARMIO ITALIANE

INTERBANCA BANCA PER FINANZIAMENTI A MEDIO E LUNGO TERMINE S.p.A.

CITIBANK, N.A.

ARRANGED BY

CITIBANK, N.A.

CAPITAL MARKETS GROUP

Milano



December 1983

INTERNATIONAL CAPITAL MARKETS

New issue activity remains buoyant

BY MARY ANN SIEGHART IN LONDON

NEW ISSUE activity continued in the Eurodollar bond market yesterday, with two floating rate notes (FRNs) and one fixed-rate bond being launched. As expected, Credit Commercial de France, the French bank, issued its \$250m, 12-year FRN with a spread of 1/4 point over the mean of the six-month London interbank bid and offered rates at par. CCF is leading the deal with Bankers' Trust International, Morgan Guaranty and Sumitomo Finance International.

Boston and Citicorp are leading the deal, which has front-end fees of 1.95 per cent. Despite the relatively generous terms, which give a compounded cost to the borrower of 0.85 per cent over Libor up to the put option, compared with 0.29 per cent for CCF, the issue traded only just within its total fees. Some dealers suggested that banks, which are thought to be the major initial buyers of FRNs, are more reluctant to lend money to corporate borrowers than to other banks. This is partly a matter of principle, often the proceeds of an FRN are used to repay more expensive bank debt. Yet it is also, to some extent, just a matter of timing. One bank can make an immediate decision to lend to another bank if a credit line is already open between the two. But a bank may need authorisation to lend to a corporation and particularly in the case of Far Eastern banks, this can take a few days.

The third new dollar issue of the day came from the Minneapolis-based Northwest Corporation, formerly North West Bank. The bank is raising \$50m through a seven-year bond paying 12 1/2 per cent at par.

BHF Bank bond average table with columns for Jan 31, Previous, High, 1983-84, Low, 1982-83

Bundesbank loan terms disappoint

By Our Financial Staff

TERMS set yesterday by the West German Bundesbank for a DM 2bn (still) issue of federal loan stock (Bundesanleihe) disappointed market operators in Frankfurt, and the immediate reaction was to mark down the 10-year, 8 1/2 per cent issue by between a half and three-quarters of a point from its par pricing. The market was said to have been expecting an offer price of 99 1/2 instead, which would provide a yield nearer to the 8.30 to 8.32 per cent being quoted for existing comparable issues, rather than the 8.25 per cent which resulted. The official selling period begins tomorrow and runs through to next Monday. Of the total, DM 1.6bn will be placed through a consortium of issuing banks, with the Bundesbank retaining DM 400m for use in regulating the market. Dealers said the large volume might weigh on the market, while the relatively unattractive yield will act as an incentive to smaller private investors at a time when funds have been directed far more heavily into domestic equities than bonds. No insurmountable problems in placing the issue were envisaged, though. Allowance for selling concessions indicated a yield for large institutional investors of 8.34 per cent, and for banks at least 8.36 per cent - far member banks of the issuing consortium this would rise to 8.46 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 31.

Table of international bond issues with columns for Issued, Bid, Offer, Change on day week, Yield, and various bond details.

Table of floating rate notes with columns for Spread, Bid, Offer, Coupon, and various bond details.

Table of convertible bonds with columns for Conv. Conv., Date, Price, Bid, Offer, and various bond details.

Table of SVSFRAC STRAIGHTS with columns for Issued, Bid, Offer, Change on day week, Yield, and various bond details.

Table of SVSFRAC STRAIGHTS with columns for Issued, Bid, Offer, Change on day week, Yield, and various bond details.

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$150,000,000

Sanwa International Finance Limited

(Incorporated in Hong Kong with limited liability)



Guaranteed Floating Rate Notes Due 1992

Unconditionally and irrevocably guaranteed as to payment of principal and interest by

The Sanwa Bank, Limited

(Kabushiki Kaisha Sanwa Ginko)

(Incorporated in Japan with limited liability)

The following have agreed to subscribe for the Notes:

- List of subscribers including Sanwa Bank, Baring Brothers & Co., Credit Suisse First Boston Limited, Morgan Stanley International, Bank of America International Limited, etc.

The Notes, issued at 100 per cent., have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Global Note. Interest is payable semi-annually in February and August, the first payment being made in August 1984.

Full particulars of the Notes, the Issuer and the Guarantor are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 15th February, 1984 from the brokers to the issue:

Vickers da Costa Ltd, Regis House, King William Street, London EC4R 9AR, 1st February, 1984

All of these securities have been sold. This announcement appears as a matter of record only.

January, 1984



FRIES ENTERTAINMENT, INC.

1,400,000 Shares Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN

- List of underwriters including Bear, Stearns & Co., Donaldson, Lufkin & Jenrette, E. F. Hutton & Company Inc., etc.

NEW ISSUE

These securities having been sold, this announcement appears as a matter of record only.

U.S. \$10,000,000 Issue of Units for Subscription



THE KOREA TRUST

(an investment trust established under the laws of the Republic of Korea)

Investment Manager

Daehan Investment Trust Co., Ltd.

Merrill Lynch Capital Markets Cazenove & Co.

J. Henry Schroder Wagg & Co. Limited Nomura International Limited

January 1984

Handwritten signature in Arabic script